



Transmission Agency of Northern California  
P.O. Box 15129 Sacramento, CA 95851-0129 (916) 852-1673

## MEMORANDUM

DATE: September 10, 2025

TO: TANC Commission

FROM: Cory Danson  
General Manager

SUBJECT: SEPTEMBER 17, 2025 MEETING OF THE TRANSMISSION AGENCY OF  
NORTHERN CALIFORNIA

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The Commission of the Transmission Agency of Northern California (TANC) will meet at 10:00 a.m. on Wednesday, September 17, 2025, at 2377 Gold Meadow Way, First Floor, Gold River, California, 95670. The meeting is also accessible by telephone at:

**Join Meeting: [1 \(202\) 945-4283](tel:12029454283); Phone conference ID: 174 327 359#**

In addition to the customary reports, enclosed are reports related to WestConnect Activities, California-Oregon Transmission Project matters, TANC technical matters, Federal Energy Regulatory Commission and other related regulatory matters, Open Access Same-Time Information System matters, wildfire activities, TANCs reliability standards compliance activities, California Independent System Operator matters, the 2025 TANC Audit schedule and the Fiscal Year 2025 Fourth Quarter Budget Variance Report. The TANC Commission will also receive a report from TANC's General Manager, discuss the status of the Series Capacitor Procurement Project, and discuss the status and future of TANC's Treasurer/Controller. The TANC Commission will also receive a report on TANCs available cash balances and consider a resolution regarding the approval of a revised TANC Open Access Transmission Tariff. The TANC Commission will then schedule its next meeting.

A Public Entity whose Members include:  
Alameda, Biggs, Gridley, Healdsburg, Lodi, Lompoc, Modesto Irrigation District,  
Palo Alto, Plumas-Sierra Rural Electric Cooperative, Redding, Roseville,  
Sacramento Municipal Utility District, Santa Clara, Turlock Irrigation District, Ukiah

**TAB 1**

**CALL TO ORDER**

The TANC Chair will call the meeting to order.

**TAB 2**

**ROLL CALL**

The TANC General Manager will conduct a roll call of the TANC Commission members in attendance.

**AGENDA**  
**TANC COMMISSION MEETING**  
**September 17, 2025**  
**10:00 AM**

**LOCATION**  
**2377 Gold Meadow Way**  
**First Floor Conference Room**  
**Gold River, CA 95670**

**Remote Locations:**

**Northern California  
Power Agency**  
651 Commerce Drive  
Roseville, CA 95678-6420

**Turlock Irrigation District**  
333 East Canal Drive  
Turlock, CA 95381

Any member of the public who desires to address the Commission during public comment portion of this meeting or on any item considered by the Commission at this meeting, before, or during the Commission's consideration of that item, shall so advise the Commission Chair or General Manager when public comment is called and when recognized shall thereupon be given an opportunity to do so.

Any person requiring accommodations in accordance with the Americans with Disabilities Act in order to attend or participate in this meeting are requested to contact Larry Riegle at [lriegle@tanc.us](mailto:lriegle@tanc.us) in advance of the meeting to arrange for such accommodations.

**Join Meeting: 1 (202) 945-4283; Phone conference ID: 174 327 359#**

1. Call to Order

The TANC Chair will call the meeting to order.

2. Roll Call

A representative from TANC will conduct a roll call of TANC Commission members in attendance.

3. Approval of Agenda

The Commission will review the proposed agenda and approve it with any necessary corrections or deletions.

## PUBLIC COMMENT

4. The Commission will consider comments from the public at this time.

## CONSENT CALENDAR

ALL MATTERS LISTED UNDER THE CONSENT CALENDAR ARE CONSIDERED BY THE COMMISSION TO BE ROUTINE AND WILL ALL BE ENACTED BY ONE MOTION. THERE WILL BE NO SEPARATE DISCUSSION OF THESE ITEMS UNLESS A COMMISSIONER REQUESTS THAT AN ITEM BE SEPARATELY CONSIDERED PRIOR TO THE TIME THE COMMISSION VOTES ON THE MOTION TO ADOPT.

5. Approval of the Draft Minutes from August 20, 2025 TANC Commission Meeting.

Enclosed are the draft minutes from the August 20, 2025 TANC Commission meetings, for approval, subject to any necessary corrections or clarifications.

6. Report on TANC's Investment Purchases

Enclosed are reports on TANC's investment purchases.

7. Report on General Manager's Committees

Enclosed are approved meeting minutes from the following committees:

- a. Engineering and Operations Committee

8. Report on WestConnect Activities

Enclosed is a report regarding activities related to WestConnect.

9. Report on COTP Matters

Enclosed is a report regarding California-Oregon Transmission Project matters.

10. Report on Technical TANC Matters

Enclosed is a report regarding TANC technical matters.

11. Report on FERC and Related Regulatory Matters

Enclosed is a report regarding Federal Energy Regulatory Commission and other related regulatory matters.

12. Report on TANC OASIS Matters

Enclosed is a report regarding usage on the Open Access Same-Time Information System and related matters.

13. Report on Wildfire Activities

Enclosed is a report regarding recent wildfire related initiatives.

14. Report on TANC's Reliability Standards Compliance Activities

Enclosed is a report regarding TANC's reliability standards compliance activities.

15. Report on CAISO Matters

Enclosed is a report on California Independent System Operator related matters.

16. Report on the 2025 TANC Audit Schedule

Enclosed is a report on the schedule for the annual 2025 TANC Audit.

17. Report on FY 2025 Fourth Quarter Budget Variance Report

Enclosed is a report concerning the Fiscal Year 2025 Fourth Quarter Budget Variance Report

**INFORMATION ITEMS**

18. Report from the TANC General Manager

The Commission will receive a report from TANC's General Manager.

19. Discussion Regarding the Series Capacitor Procurement Project

The Commission will discuss the status of the Series Capacitor Procurement Project.

20. Discussion Regarding TANC's Treasurer/Controller

The Commission will discuss the status and future of TANC's Treasurer/Controller.

**ACTION ITEMS**

21. Report and Potential Action on TANC's Available Cash Balances

The Commission will receive a report on available cash balances through June 30, 2025.

22. Resolution Approving a Revised TANC OATT

The Commission will consider a resolution regarding approving a revised TANC Open Access Transmission Tariff.

23. Meeting Calendar

The Commission will confirm the date of its next scheduled meeting, October 22, 2025.

**TAB 4**

**PUBLIC COMMENT**

The TANC Commission will consider comments from the public at this time.

**TAB 5**

**DRAFT MINUTES AND ATTACHMENTS**

MINUTES  
TRANSMISSION AGENCY OF NORTHERN CALIFORNIA  
COMMISSION MEETING  
AUGUST 20, 2025

Chair Zettel (City of Redding) called the August 20, 2025 Transmission Agency of Northern California (TANC) Commission meeting to order at 10:00 a.m. Mr. Danson (TANC General Manager) took a roll call of the Commissioners in attendance. Meeting attendees are listed in Attachment 1.

*Approval of Agenda*

Chair Zettel asked if there were any recommended additions, deletions or modifications to the agenda. With no changes proposed, Mr. Gill (Turlock Irrigation District) made a motion to approve the August 20, 2025 TANC Commission agenda. Mr. Olson (Sacramento Municipal Utility District) seconded the motion, which was approved by the TANC Commission. The approved agenda for the August 20, 2025 TANC Commission meeting is included as Attachment 2.

**PUBLIC COMMENT**

Chair Zettel asked if there were any members of the public that wished to address the TANC Commission. There were no requests.

**CONSENT CALENDAR**

Chair Zettel asked if any Commissioner would like a discussion or removal of any item under the Consent Calendar. There were no requests. Mr. Gill (Turlock Irrigation District) made a motion to approve the consent calendar. Mr. Olson (Sacramento Municipal Utility District) seconded the motion, which was approved by the TANC Commission. The approved minutes from the July 16, 2025 TANC Commission meeting are included as Attachment 3.

## **INFORMATION ITEMS**

### ***Report from the TANC Interim General Manager***

Mr. Danson reported that he was working with the Western Area Power Administration to schedule an Owners' Coordinated Operations Agreement meeting and that the TANC Directory is in the process of being updated. Mr. Danson also noted that he will be working with TANC Special Counsel on updates to Project Agreement Number 3 and to develop a Long-Term Participation Agreement. The TANC Commission also discussed the status of the Series Capacitor Procurement Project and that the Sacramento Municipal Utility District would be withdrawing as the Treasurer/Controller for TANC.

## **ACTION ITEMS**

### ***Resolution Approving TANCS Reliability Standards Compliance Program***

Mr. Danson reported that Version 26 of the TANC Compliance Program has been presented for consideration and the modification are relatively minor to make sure that TANC remain aligned with the requirements of the Western Electricity Coordinating Council. After discussion by TANC Commission, Mr. Gill (Turlock Irrigation District) moved to approve Version 26 of the TANC Compliance Program. This motion was seconded by Mr. Costalupes (Modesto Irrigation District) and approved by the TANC Commission. Resolution 2025-12 is included as Attachment 4.

### ***Report and Potential Action on Administrative Items***

The TANC Commission considered an update to 2025 Officers List. After discussion by the TANC Commission, Mr. Costalupes (Modesto Irrigation District) moved to approve the administrative items. Chair Zettel (City of Redding) seconded the motion which was then approved by the TANC Commission by roll call vote.

*Meeting Calendar*

The next regular TANC Commission meeting is scheduled for September 17, 2025. There being no further business, Chair Zettel adjourned the meeting.



**Roseville Electric Utility**  
116 S Grant Street, Ste 4  
Roseville, California 95678

August 11, 2025

Transmission Agency of Northern California  
Via email to Amy Cueller [acueller@tanc.us](mailto:acueller@tanc.us)  
2377 Gold Meadow Way, Ste 280  
Gold River, CA 95670

**Re: City of Roseville TANC Commissioner Appointment for August 20, 2025, Meeting**

To whom it may concern:

Please be advised that for the August 20, 2025, TANC meeting, Roseville appoints Petra Wallace.

Following the meeting, previous approved appointments should be observed.

Sincerely,

A handwritten signature in blue ink that reads "De".

[Daniel Beans \(Aug 11, 2025 10:30:10 PDT\)](#)

Dan Beans  
CEO  
Roseville Electric Utility

ATTENDANCE LIST

TRANSMISSION AGENCY OF NORTHERN CALIFORNIA  
COMMISSION MEETING

August 20, 2025

10:00 AM

NAME

ORGANIZATION

Nick Zettel	City of Redding
Brock Costalupes	Modesto Irrigation District
Manjot Gill	Turlock Irrigation District
Petra Wallace	City of Roseville
Jon Olson	Sacramento Municipal Utility District
Tony Zimmer	Northern California Power Agency
Michelle Williams	Western Area Power Administration
Melinda Jones	Western Area Power Administration
Steve Gross	TANC General Counsel
Cory Danson	TANC General Manager
John Roukema	TANC Advisor
Amy Cuellar	TANC Staff
Larry Riegle	TANC Staff

**AGENDA**  
**TANC COMMISSION MEETING**  
**August 20, 2025**  
**10:00 AM**

**LOCATION**  
**2377 Gold Meadow Way**  
**First Floor Conference Room**  
**Gold River, CA 95670**

**Remote Locations:**

**Northern California City of Santa Clara**  
**Power Agency** 881 Martin Avenue  
651 Commerce Drive Santa Clara, CA 95050  
Roseville, CA 95678-6420

Any member of the public who desires to address the Commission during public comment portion of this meeting or on any item considered by the Commission at this meeting, before, or during the Commission’s consideration of that item, shall so advise the Commission Chair or General Manager when public comment is called and when recognized shall thereupon be given an opportunity to do so.

Any person requiring accommodations in accordance with the Americans with Disabilities Act in order to attend or participate in this meeting are requested to contact Larry Riegle at [lriegle@tanc.us](mailto:lriegle@tanc.us) in advance of the meeting to arrange for such accommodations.

**Join Meeting: 1 (202) 945-4283; Phone conference ID: 693 520 898#**

1. Call to Order  
The TANC Chair will call the meeting to order.
2. Roll Call  
A representative from TANC will conduct a roll call of TANC Commission members in attendance.
3. Approval of Agenda  
The Commission will review the proposed agenda and approve it with any necessary corrections or deletions.

## PUBLIC COMMENT

4. The Commission will consider comments from the public at this time.

## CONSENT CALENDAR

ALL MATTERS LISTED UNDER THE CONSENT CALENDAR ARE CONSIDERED BY THE COMMISSION TO BE ROUTINE AND WILL ALL BE ENACTED BY ONE MOTION. THERE WILL BE NO SEPARATE DISCUSSION OF THESE ITEMS UNLESS A COMMISSIONER REQUESTS THAT AN ITEM BE SEPARATELY CONSIDERED PRIOR TO THE TIME THE COMMISSION VOTES ON THE MOTION TO ADOPT.

5. Approval of the Draft Minutes from the July 16, 2025 TANC Commission Meeting.

Enclosed are the draft minutes from the July 16, 2025 TANC Commission meetings, for approval, subject to any necessary corrections or clarifications.

6. Report on TANC's Investment Purchases

Enclosed are reports on TANC's investment purchases.

7. Report on General Manager's Committees

Enclosed are approved meeting minutes from the following committees:

- a. Audit Budget Committee
- b. Contracts Committee
- c. Open Access Transmission Tariff Committee

8. Report on COTP Matters

Enclosed is a report regarding California-Oregon Transmission Project matters.

9. Report on Technical TANC Matters

Enclosed is a report regarding TANC technical matters.

10. Report on FERC and Related Regulatory Matters

Enclosed is a report regarding Federal Energy Regulatory Commission and other related regulatory matters.

11. Report on WECC Matters

Enclosed is a report regarding Western Electricity Coordinating Council matters.

12. Report on TANC OASIS Matters

Enclosed is a report regarding usage on the Open Access Same-Time Information System and related matters.

13. Report on Wildfire Activities

Enclosed is a report regarding recent wildfire related initiatives.

14. Report on TANC's Reliability Standards Compliance Program

Enclosed is a report regarding TANC's Reliability Standards Compliance Program.

15. Report on CAISO Matters

Enclosed is a report on California Independent System Operator related matters.

**INFORMATION ITEMS**

16. Report from the TANC General Manager

The Commission will receive a report from TANC's General Manager.

**ACTION ITEMS**

17. Resolution Approving TANC's Reliability Standards Compliance Program

The Commission will consider a resolution regarding an update to TANC's Reliability Standards Compliance Program.

18. Discussion and Potential Action Regarding the Series Capacitor Procurement Project

The Commission will discuss and potentially consider an action on the Series Capacitor Procurement Project.

19. Report and Potential Action on Administrative Items

- a. Approval of an Update to Officers List for 2025

20. Meeting Calendar

The Commission will confirm the date of its next scheduled meeting is September 17, 2025.

MINUTES  
TRANSMISSION AGENCY OF NORTHERN CALIFORNIA  
COMMISSION MEETING  
JULY 16, 2025

Chair Zettel (City of Redding) called the July 16, 2025 Transmission Agency of Northern California (TANC) Commission meeting to order at 10:00 a.m. Mr. Danson (TANC General Manager) took a roll call of the Commissioners in attendance. Meeting attendees are listed in Attachment 1.

***Approval of Agenda***

Chair Zettel asked if there were any recommended additions, deletions or modifications to the agenda. With no changes proposed, Mr. Gill (Turlock Irrigation District) made a motion to approve the July 16, 2025 TANC Commission agenda. Mr. Olson (Sacramento Municipal Utility District) seconded the motion, which was approved by the TANC Commission. The approved agenda for the July 16, 2025 TANC Commission meeting is included as Attachment 2.

**PUBLIC COMMENT**

Chair Zettel asked if there were any members of the public that wished to address the TANC Commission. There were no requests.

**CONSENT CALENDAR**

Chair Zettel asked if any Commissioner would like a discussion or removal of any item under the Consent Calendar. There were no requests. Mr. Olson (Sacramento Municipal Utility District) made a motion to approve the consent calendar. Mr. Caballero (Modesto Irrigation District) seconded the motion, which was approved by the TANC Commission. The approved minutes from the May 21, 2025 TANC Commission meeting are included as Attachment 3.

**INFORMATION ITEMS**

***Report from the TANC Interim General Manager***

Mr. Danson reported that after a series of calls on wildfire related items, that Standard and Poor's had changed TANCs credit rating from a negative to a stable A+ long-term credit rating. Mr. Danson also noted that the General Manager's Finance Committee had recommended extending the Letter of Credit for the Series Capacitor Project by an additional two years and that per the terms of the original approval, no additional authorization by the TANC Commission is needed for the extension. Mr. Danson also provided an update on the Series Capacitor procurement process that is underway at the Western Area Power Administration (WAPA) and reported that WAPA Headquarters has not prioritized the Series Capacitor procurement for Federal Fiscal Year 2025 and therefore procurement activities would be on hold until October 2025. Mr. Danson also noted that with WAPA's commitment that the project be prioritized in Federal Fiscal Year 2026; that the current recommendation is to keep the procurement at WAPA. Mr. Danson reported that he will be reaching out to Commissioners to schedule individual meetings. Mr. Danson also reminded the Commission about recent interest in the TANC owned property adjacent to the

Tracy Substation and provided an overview of TANCs currently active interconnection and affected system projects. Lastly, Mr. Danson reported that TANC has received a refund from WestConnect since Coordinating Transmission Owners like TANC are no longer members of WestConnect.

***Report on COTP Tower Corrosion Study***

The TANC Commission discussed the results and recommendations from recent corrosion study of the eight towers nearest the Sacramento and San Joaquin rivers.

**ACTION ITEMS**

***Resolution Approving a Suspension of TANCs Interconnection Queue***

Mr. Danson reported that the General Manager's Open Access Transmission Tariff (OATT) Committee has been working for several months to review and consider updates to the TANC OATT to comply with the requirements of Federal Energy Regulatory Commission (FERC) Orders Nos. 2023 and 2023-A. It was noted that the proposed TANC OATT revisions will be provided to the TANC Commission for consideration at a future meeting and that the OATT updates will also be followed by the consideration of updates to TANC's Large Generator Interconnection Process (LGIP). Mr. Danson indicated that at their meeting on June 3, 2025, the General Manager's OATT Committee recommended that the TANC Interconnection Queue be suspended immediately following a 30-calendar day public notice period and announcement on TANC's Open Access Same-time Information System (OASIS) while the updates to the OATT and LGIP are prepared and considered. After discussion by the TANC Commission, and a change to the resolution to indicate that TANC Commission would need to authorize the reopening of the TANC Interconnection Queue which is currently anticipated to be in early March 2026, Mr. Caballero (Modesto Irrigation District) moved to approve the suspension of the TANC Interconnection Queue upon the conclusion of a 30 day public notice on TANCs OASIS. This motion was seconded by Mr. Gill (Turlock Irrigation District) and approved by the TANC Commission. Resolution 2025-10 is included as Attachment 4.

***Resolution Approving an Increase in the COTP Entitlement for WAPA***

Mr. Roukema (TANC Advisor) updated the Commission on a discussion that has been held at the past few TANC Commission meetings regarding the coordination between TANC and WAPA on an additional two megawatts (MW) of COTP entitlement that WAPA should have received associated with the April 1, 2025 California-Oregon Intertie increase in transfer capability to 5,100 MWs and which would increase WAPA's COTP entitlement from 27 to 29 MWs. Mr. Roukema reported that based on Membership percentages for scheduling rights that is it currently proposed that Turlock Irrigation District and the Sacramento Municipal Utility District each concede one MW of COTP scheduling rights to WAPA. After discussion by the TANC Commission, Mr. Forsythe (City of Roseville) moved to approve the additional two MWs of COTP entitlement to WAPA and to approve the TANC General Manager to potentially modify the 27 MW TANC-WAPA Agreement to the extent necessary and make additional adjustments

to implement these revisions with Open Access Technology International, Inc. and related TANC scheduling templates. This motion was seconded by Mr. Cabellero (Modesto Irrigation District) and approved by the TANC Commission. Resolution 2025-11 is included as Attachment 5.

***Report and Potential Action on Administrative Items***

The TANC Commission considered an update to 2025 Officers List. After discussion by the TANC Commission, Mr. Gill (Turlock Irrigation District) moved to approve the administrative items. Mr. Olson (Sacramento Municipal Utility District) seconded the motion which was then approved by the TANC Commission by roll call vote.

***Meeting Calendar***

The next regular TANC Commission meeting is scheduled for August 20, 2025. There being no further business, Chair Zettel adjourned the meeting.

Respectfully submitted,

Signed by:



Cory Danson

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TANC General Manager

RESOLUTION 2025-12

A RESOLUTION OF THE  
TRANSMISSION AGENCY OF NORTHERN CALIFORNIA  
APPROVING MODIFICATIONS TO TANC'S  
RELIABILITY STANDARDS COMPLIANCE PROGRAM

WHEREAS, the Transmission Agency of Northern California (TANC) is a joint exercise of powers agency organized under the laws of the State of California; and

WHEREAS, TANC is the largest Participant and the Project Manager of the California-Oregon Transmission Project (COTP); and

WHEREAS, the Energy Policy Act of 2005 established a nationwide Electric Reliability Organization (ERO) to oversee the development, implementation, and enforcement of Electric Reliability Standards; and

WHEREAS, the Federal Energy Regulatory Commission (FERC) issued an Order establishing the North American Electric Reliability Corporation as the ERO for the United States and later approved Electric Reliability Standards; and

WHEREAS, FERC ordered mandatory and enforceable Electric Reliability Standards initially went into effect on June 18, 2007; and

WHEREAS, all owners, operators, and users of the bulk power system in the United States must comply with FERC approved Electric Reliability Standards; and

WHEREAS, TANC Resolution 2007-12 adopted TANC's initial Reliability Standards Compliance Program (Compliance Program); and

WHEREAS, TANC Resolution 2024-15 adopted the most recent revisions to the Compliance Program; and

WHEREAS, updates to the Compliance Program have been developed and the modified Compliance Program is included here by reference; and

NOW, THEREFORE, BE IT HEREBY RESOLVED by the Commission of the Transmission Agency of Northern California that the revised Reliability Standards Compliance Program is adopted as provided herein.

PASSED AND ADOPTED this 20<sup>th</sup> day of August 2025, on a motion by Mr. Gill (Turlock Irrigation District) and seconded by Mr. Costalupes (Modesto Irrigation District).

	AYES	NOES	ABSTAIN	ABSENT
City of Alameda	X			
City of Biggs	X			
City of Gridley	X			
City of Healdsburg	X			
City of Lodi	X			
City of Lompoc	X			
Modesto Irrigation District	X			
City of Palo Alto	X			
Plumas-Sierra Rural Electric Cooperative	X			
City of Redding	X			
City of Roseville	X			
Sacramento Municipal Utility District	X			
City of Santa Clara				X
Turlock Irrigation District	X			
City of Ukiah	X			

**TAB 6**

**REPORT ON TANC'S INVESTMENT PURCHASES**

Enclosed is a report on TANC's investment purchases.

# Transmission Agency of Northern California

## Investment Purchases Report For Month Ended August 31, 2025

<u>Settlement Date</u>	<u>Maturity Date</u>	<u>Portfolio</u>	<u>Investment Type</u>	<u>Issuer</u>	<u>Par Value</u>
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No purchases in August 2025

**TAB 7**

**SCHEDULE OF UPCOMING  
GENERAL MANAGER'S COMMITTEE MEETINGS**

Audit Budget Committee	October 23, 2025
Contracts Committee	October 7, 2025
Engineering and Operations Committee	November 12, 2025
Open Access Transmission Tariff Committee	October 7, 2025

**GENERAL MANAGER'S COMMITTEE MEETINGS  
APPROVED MINUTES**

Engineering and Operations Committee	May 14, 2025
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**MINUTES**  
**CALIFORNIA-OREGON TRANSMISSION PROJECT**  
**ENGINEERING AND OPERATIONS COMMITTEE MEETING**  
**MAY 14, 2025**

The California-Oregon Transmission Project (COTP) Engineering and Operations (E&O) Committee met on May 14, 2025. The Agenda and Attendance list for the meeting are provided as Attachment 1 and Attachment 2, respectively.

**COTP E&O COMMITTEE MEETING**

**AGENDA ITEM 1, 2, AND 3: CALL TO ORDER, ROLL CALL, AND ADMINISTRATION**

a. Approval of Agenda

The meeting was called to order by Ms. Cuellar (TANC Staff). Ms. Cuellar reported that agenda item 5c. (Presentation on COTP Spacer Replacements) would be deferred to the July 9, 2025 meeting and then asked if there were any other changes to the meeting agenda. With no other changes requested, the revised agenda was approved by the COTP E&O Committee. The final agenda from the May 14, 2025 COTP E&O Committee meeting is included as Attachment 1.

b. Minutes from March 12, 2025 COTP E&O Committee Meeting

Ms. Cuellar asked if there were any changes to the draft minutes from the March 12, 2025 COTP E&O Committee meeting. With no changes proposed, the minutes were approved by the COTP E&O Committee. The approved March 12, 2025 minutes are included as Attachment 3.

c. Next Meeting

The next COTP E&O Committee meeting was scheduled for Wednesday, July 9, 2025.

**AGENDA ITEM 4: OPERATIONS AND MAINTENANCE ISSUES**

a. COTP Operations Update

The COTP E&O Committee discussed information on COTP operations and voltage control events for both March and April 2025.

b. Line and Substation Outages – Occurred and Scheduled

The COTP E&O Committee discussed recent and planned outages of COTP facilities.

c. Update on Environmental and Land Activities

Mr. Wagenet (TANC) reported to the COTP E&O Committee that the 2024 Statements of Diversion and Use for the seven siphons that are used to surface irrigate the crops, waterfowl ponds and wetland habitat on Palm Tract were submitted prior to the April 1, 2025 due date.

Ms. Cuellar reported that in April 2025, TANC and the Sacramento Municipal Utility District (SMUD) finalized the attached license agreement to memorialize equipment that TANC has located at the SMUD Rancho Seco site – including microwave antenna on the cooling tower and associated relay equipment in the microwave room.

d. Other Operation and Maintenance Issues

Western Area Power Administration (WAPA) staff provided the COTP E&O Committee with an update on Operation and Maintenance activities completed by WAPA since the last meeting, including updates on routine operation and maintenance activities, engineering, capital replacement, and construction projects. The COTP E&O Committee also discussed the schedule for and status of the Series Capacitor Replacement projects. WAPA also agreed to provide a status update on the Olinda-Tracy Right of Way Improvement Program.

e. Transmission Planning and Technical Study Activities Update

Mr. Farmer (TANC) provided an update on transmission planning items noting that on April 1, 2025, the California Independent System Operator (CAISO) implemented the increased rating for the Summer 2025 operating season for the California-Oregon Intertie (COI) with the distribution of the *COI Master Operating Procedure*. Mr. Farmer noted that the COI is still expected to be limited to 4,800 MWs through the third quarter of 2025 due to Bonneville Power Administration limitations. Mr. Farmer also informed the COTP E&O Committee that in early April the Western Electricity Coordination Council (WECC)-1 Remedial Action Scheme was taken out of service for annual testing which temporarily decreased COI scheduling limits to 925 MWs in the North-to- South direction and 1,000 MW in the South-to-North direction. Mr. Farmer also provided updates on TANC involvement in two WECC Project Coordination Review Groups—one for the CAISO sponsored Collinsville and Manning 500 Kilovolt Substation Project and one for the Idaho Power Sponsored Project Boardman-Hemingway 500 Kilovolt Line Project. The COTP E&O Committee also discussed the status of the TANC interconnection queue and active affected system studies.

**AGENDA ITEM 5: OTHER ITEMS FOR DISCUSSION**

a. COI Real-Time Operations Update

Mr. Buckingham (SMUD) provided highlights on recent COI real-time operations updates and provided the COTP E&O Committee with March and April 2025 Balancing Authority of Northern California reports which included information on COI flows both South to North and North to South as well as unscheduled flows.

b. COTP Capital Replacement Project Update

The COTP E&O Committee discussed the status of the 20+ year COTP Capital Replacement Project and specifically the Series Capacitor Replacement projects.

c. Discussion on Recent Inspection Report by Property Insurer

Mr. LaPorte (TANC) provided an overview of the recent Risk Assessment Reports that were completed for the Olinda and Tracy substations and the Maxwell Compensation Station. After a discussion by the COTP E&O Committee, it was decided that a summary of the

recommendations would be prepared and presented for consideration at the July COTP E&O meeting.

**AGENDA ITEM 6: APPROVALS AND RECOMMENDATIONS**

*a. Update to the TANC Wildfire Mitigation Plan for the COTP*

Mr. Wagenet (TANC) provided the COTP E&O Committee with an overview of the 2025 TANC Wildfire Mitigation Plan (WMP) for COTP, which was developed in collaboration with WAPA. Mr. Wagenet noted that the update focused on annual progress on currently active Wildfire Prevention, Mitigation, and Response Strategies; adding an appendix to illustrate the WMPs responsiveness to California Wildfire Safety Advisory Board (WSAB) recommendations; and adding a table to expedite future WSAB reviews. After discussion by the COTP E&O Committees, Mr. Buckingham (SMUD) moved to recommend approval of the TANC 2025 WMP. Mr. Wong (City of Santa Clara) seconded the motion which was approved by the COTP E&O Committee.

**AGENDA ITEM 7: PROJECT COST**


*a. Status of Operations & Maintenance Costs – Fiscal Year 2024*

Ms. Mull (WAPA) provided a detailed status of WAPA’s Fiscal Year 2025 budget and expenditures.

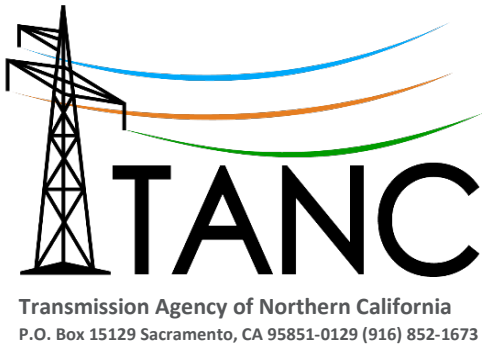
**AGENDA ITEM 7: COTP E&O MEETING ADJOURNMENT**

There being no further business, Ms. Cuellar adjourned the meeting.

Respectfully Submitted,

DocuSigned by:  
  
C618853D8A764CB...

Steve Tuggle  
COTP E&O Chair



## MEMORANDUM

DATE: September 10, 2025

TO: TANC Commission

FROM: Cory Danson  
TANC General Manager

SUBJECT: WESTCONNECT ACTIVITIES

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This memo provides a summary of recent WestConnect activities. The Transmission Agency of Northern California (TANC) continues to participate in activities conducted by WestConnect, which is tasked with coordination of regional and interregional transmission planning. The most recent Planning Subcommittee (PS) meeting was held on August 19, 2025. The most recent Planning Management Committee (PMC) meeting was held on August 20, 2025. The next PS and PMC meetings are scheduled for September 16 and 17, 2025.

### **Planning Subcommittee**

At their meeting on August 19, 2025, the PS shared updates on the regional plan report noting that report writing was currently in process. It is expected that the first draft of the report will be released on October 5, 2025, for review with comments due on October 13, 2025. Following this, the second draft of the regional plan report is expected to be released on October 20, 2025. The PS is then expected to approve the final report in December.

### **Planning Management Committee**

At their meeting on August 20, 2025, the PMC first discussed the financial report showing good standing. The PMC also reviewed the update to membership status following the removal of the Coordinating Transmission Owner member status. The PMC also reviewed the 2024-2025 Process Timeline. A summary of the timeline is shown below:

A Public Entity whose Members include:  
Alameda, Biggs, Gridley, Healdsburg, Lodi, Lompoc, Modesto Irrigation District,  
Palo Alto, Plumas-Sierra Rural Electric Cooperative, Redding, Roseville,  
Sacramento Municipal Utility District, Santa Clara, Turlock Irrigation District, Ukiah

Milestone (2022-23)	Lead	Next <u>PMC</u> Key Date and Action
2024-25 Study Plan	PS	Approved on March 20, 2024
Model Development Report	PS	Approved on December 18, 2024
Regional Needs Assessment Report	PS / PMC	Approved on January 15, 2023
5Regional Transmission Plan Report	PMC	Approval December 17,2025
2026-27 Study Plan	PS	Approval March 2026

Finally, the PMC reviewed the regional plan report and 2026-2027 study plan. The sections for the study plan were shared and can be found on the WestConnect website.



Transmission Agency of Northern California  
P.O. Box 15129 Sacramento, CA 95851-0129 (916) 852-1673

## MEMORANDUM

DATE: September 10, 2025

TO: TANC Commission

FROM: Cory Danson  
General Manager

SUBJECT: REPORT ON COTP MATTERS

---

Recent California-Oregon Transmission Project (COTP) environmental and land matters and permit and land transmission line activities pertaining to the Transmission Agency of Northern California (TANC) have included:

### **Palm Tract**

#### *Pacific Gas & Electric Company (PG&E) Gas Service at Palm Tract*

TANC and PG&E have resumed discussions regarding PG&E's obligation to provide gas services for the Palm Tract tenant farmer's corn dryers. This update provides background information from 2024, and an update on current 2025 discussions.

#### 2024 Background

In early 2024, PG&E anticipated the need to discontinue pipeline gas service to Palm Tract. It cited safety risks and maintenance costs as the reasons for decommissioning the pipeline serving Palm Tract. The gas service had been used for the corn dryers used by TANC's tenant farmer. Gas service is intermittently required during those years when drying is needed at the conclusion of harvest. The conclusion of harvest can happen at different times for different corn varieties planted and harvested at staggered time intervals on the property. Each year, the need for the dryers is determined by the moisture content of the corn at harvest, which may be affected by fall rains.

As an alternative to gas service, PG&E proposed a Draft 'Agreement as to Termination of Gas Service' that would have: 1) compensated the tenant farmer \$80,000 to convert to either electric or propane service, and 2) relieved PG&E of its obligation to provide gas service to the property. The Draft Agreement therefore required signatures from both the tenant farmer and TANC for

PG&E to be fully relieved of its gas service obligation. A few months later, PG&E discontinued gas service by capping the gas line serving Palm Tract while the Draft Agreement was still under review by TANC.

The {prior} TANC General Manager then conferred with staff and COTP Counsel. It was decided that TANC would not execute the Draft Agreement for many reasons; most importantly the potential relief of PG&E's obligation to provide gas service to the property and the resulting future replacement consequences and costs to TANC and the tenant farmer. Absent such an agreement in place, PG&E indicated that it would continue to meet its obligation to serve with compressed natural gas (CNG) trucked to the site.

TANC staff, the tenant farmer, and representatives of PG&E met near the corn dryers at Palm Tract on September 25, 2024. At that time PG&E was arranging to be able to provide trucked CNG for the dryers if needed by the tenant farmer as harvest proceeded for the 2024 corn crop.

#### 2025 Active Discussions

Although it has been 11 months since the September 2024 field meetings, PG&E has only in the past month resumed efforts for providing gas service to Palm Tract. Those efforts include consideration of several options that rely on the existing gas facilities on Palm Tract. In the meanwhile, the Palm Tract tenant farmer is anticipating his first set of corn fields could be harvested in late September.

In response to these considerations, TANC staff and the TANC General Manager visited the tenant farmer on August 28, 2025. All of the options and supporting issues were discussed, and a tentative set of alternative resolutions are now being considered by the tenant farmer and the TANC General Manager.



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## MEMORANDUM

DATE: September 10, 2025

TO: TANC Commission

FROM: Cory Danson  
General Manager

SUBJECT: REPORT ON TECHNICAL MATTERS

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Recent transmission planning and technical matters pertaining to the Transmission Agency of Northern California (TANC) and its transmission asset the California-Oregon Transmission Project (COTP) have included:

### **California-Oregon Intertie 2025-2026 Winter Seasonal Study**

The California-Oregon Intertie (COI) 2025-2026 Winter Seasonal Study was completed, and the study report was finalized on August 26, 2025. The resulting COI Nomograms will be reflected in the COI 6110 Operating Procedure that will become effective on November 1, 2025, at the start of the 2025-2026 Winter Operating Season.

The COI 2025-2026 Winter Seasonal Study included studies with both the new LS Power 500 kilovolt Fern Road Substation Project (Project) in-service and studies with the Project not connected to the system. This was done to account for the expected in-service date of the Project in March 2026, which will be near the end of the 2025-2026 Winter Operating Season. The results of the studies with the Project in-service did not show any adverse impacts to the COI Nomogram since the Round Mountain-Table Mountain Remedial Action Scheme was also expected to be operational.

The COI seasonal maximum Total Transfer Capability resulting from the COI 2025-2026 Winter Seasonal Study is shown in the following table.

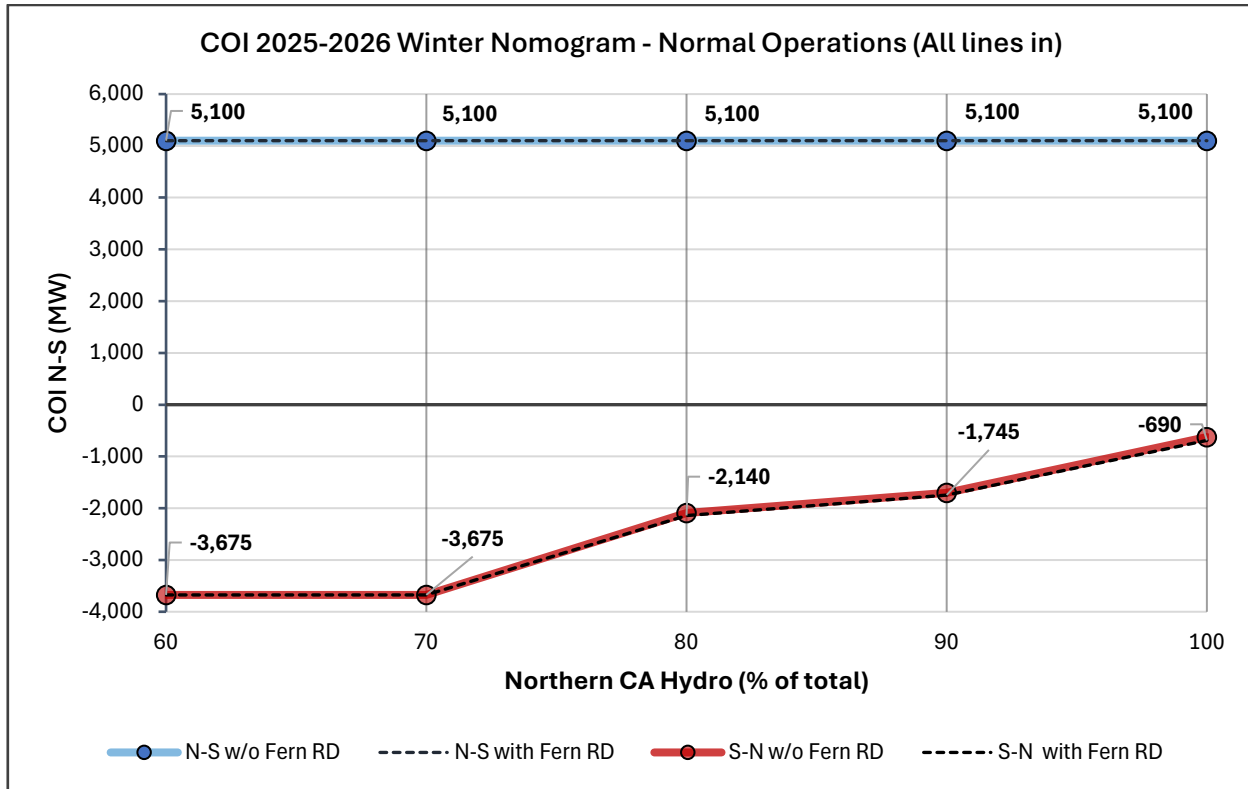
**COI Seasonal Max TTC for the 2025-2026 Winter Operating Season**

Path	Seasonal Max TTC (MW)	Limitation
COI (N-S)	5,100	Path Rating
COI (S-N)	3,675	Path Rating

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The final COI Nomogram for the 2025-2026 Winter Season is shown in the following Figure.



**Project Coordination Review Group Updates**

TANC transmission planning staff participate in Western Electricity Coordinating Council (WECC) Project Coordination Review Groups (PCRGs) to evaluate if projects may have an adverse impact on the COI or the COTP facilities. A status update on PCRGs where TANC is actively participating is provided below.

*Boardman-Hemmingway Transmission Line – Idaho Power Sponsored Project (B2H)*

TANC continues to participate in the B2H Phase 3 Path Rating evaluation which is still in progress. Idaho Power has completed the draft report for the PCRG for review, but Bonneville Power Administration (BPA) and several California entities still have outstanding concerns related to conditions when COI flows are in the South-to-North direction. TANC is currently working with BPA, the Western Area Power Administration (WAPA), Pacific Gas and Electric Company and the California Independent System Operator (CAISO) to determine a solution to address these outstanding concerns through the WECC Process.

*Collinsville and Manning Substation Projects – LS Power Sponsored Projects*

The WECC PCRG studies for the Manning and Collinsville Projects have been completed. Initially TANC and WAPA had concerns for these projects due to the potential impacts to flows and short circuit currents. However, the studies showed that the projects would have little impact on flows

and the increase in short circuit did not exceed the breaker ratings at the TANC Tracy Substation 500 kilovolt bus.

**2025 Annual Planning Assessment**

The 2025 TANC Planning Assessment study process is currently underway. The draft Study Plan was distributed to the TANC members and TANC’s Planning Coordinator (WAPA) on July 30, 2025. TANC didn’t receive any comments on the draft and was finalized on August 13, 2025. The initial work for developing the study cases has begun and is currently in progress. A tentative schedule is shown in the tables below. TANC plans to perform the study throughout the second half of the year.

Step	Description	Tentative Date
1	Distribute the Draft Study Plan for Comment	Completed
2	Address Comments and Finalize the Study Plan	Completed
3	Distribute Draft Study Cases for Review and Comments	9/26/2025
4	Update Draft Cases as needed and finalize Study Cases.	10/10/2025
5	Distribute the preliminary Powerflow Study Results for Comment and the associated Study Cases	11/21/2025
6	Review and Address Comments	12/5/2025
7	Distribute the Draft Report for Comment	12/31/2025
8	Review and Address Comments	12/5/2025
9	Finalize Report	12/31/2025
Note:	TANC’s TPL-001-5 Compliance Deadline	12/31/2025

**TANC Active Affected System Studies**

TANC routinely monitors proposed projects to identify those where the COTP may be impacted by a proposed interconnection or addition of facilities or upgrades to another transmission system. Those projects where TANC is currently actively involved as an affected system and that have had status changes since the last COTP E&O meeting are discussed below.

*CAISO Cluster 13*

TANC is currently an identified Affected System to the Queue 1702 Project that was part of the CAISO Cluster 13 study. TANC has completed the Affected System Impact Study (ASIS) and the supplemental studies requested by the developer. The draft ASIS was shared with the developer and the final report is expected to be sent to the developer, CAISO, and the TANC Planning Coordinator (WAPA) in September. The study indicated that the Project would have an adverse impact to the COTP facilities and provided two alternative mitigation solutions.



Transmission Agency of Northern California  
P.O. Box 15129 Sacramento, CA 95851-0129 (916) 852-1673

## MEMORANDUM

DATE: September 10, 2025

TO: TANC Commission

FROM: Cory Danson  
General Manager

SUBJECT: REPORT ON FERC AND OTHER REGULATORY MATTERS

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This memorandum provides an update on regulatory issues either at the Federal Energy Regulatory Commission (FERC) or other regulatory matters occurring at the federal or state level that are relevant to the Transmission Agency of Northern California (TANC) and its Members.

### **Commission Update**

President Trump named David Rosner as the Chairman of FERC. Rosner joined FERC as a Commissioner in June 2024. Prior to serving as a FERC Commissioner, Rosner was an energy industry analyst for FERC and spent two years with the U.S. Senate Energy and Natural Resources Committee staff. At FERC, Rosner led efforts related to FERC's work on electric transmission, fuel security, energy storage resources, and natural gas-electric coordination.

### **U.S. Grid Interconnection Agreements**

A new report from Wood Mackenzie reveals U.S. grid interconnection agreements reached historic highs in 2024, increasing by 33 percent. The report shows that FERC Order 2023, issued in July 2023, and reforms led by Independent System Operators had a considerable impact on processing interconnection agreements by driving improvements to reduce speculative projects and clear queue backlogs. Overall, the reforms are showing early signs of promise in accelerating the pace of interconnection studies. Solar and storage technologies represented 75 percent of all interconnection agreements in 2024. Solar has accounted for half of all signed interconnection agreements since 2019, and the trend is expected to continue through 2025. Interconnection success rates and queue processing times vary for different grid operators across regions. The California Independent System Operator ranks third with processing times, but has one of the lowest success rates, driven by a high volume of speculative projects.

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P.O. Box 15129 Sacramento, CA 95851-0129 (916) 852-1673

## MEMORANDUM

DATE: September 10, 2025

TO: TANC Commission

FROM: Cory Danson  
General Manager

SUBJECT: REPORT ON TANC OASIS MATTERS

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The Transmission Agency of Northern California (TANC) allows third party transmission sales on its portion of the California-Oregon Transmission Project via TANC's Open Access Same-Time Information System (OASIS) wesTTrans web portal. These sales pertain strictly to Project Agreement No. 5 (PA-5) Member participation.

Enclosed is a bar graph indicating PA-5 Member third party OASIS sales on a monthly basis since 2021, in addition there are pie charts indicating monthly sales through July 2025 as well as year-to-date 2025 sales. A second bar graph includes calendar year sales from 2021 through July 2025. Additionally, another report is provided, indicating megawatt-hour sales in a format similar to revenue sales. Buy-backs and excess capacity purchases by TANC PA-5 Members are not included.

TANC's third party transmission sales in July totaled \$70,385. The 2025 Year-to-Date sales through July were \$474,745.

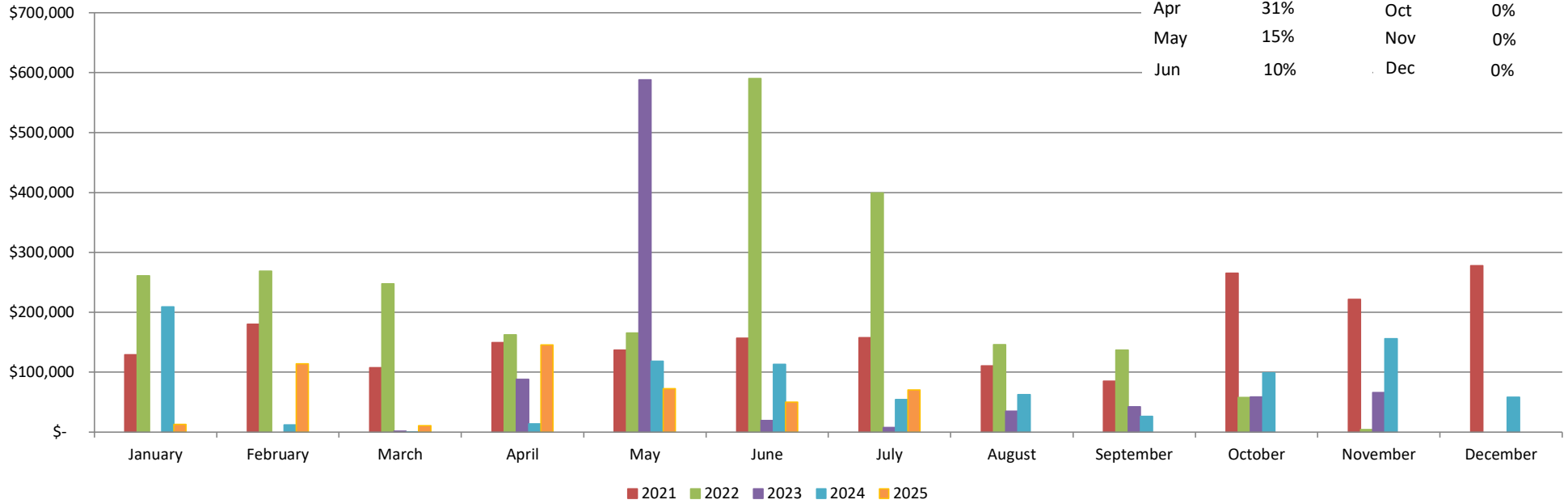
Enclosures

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Alameda, Biggs, Gridley, Healdsburg, Lodi, Lompoc, Modesto Irrigation District,  
Palo Alto, Plumas-Sierra Rural Electric Cooperative, Redding, Roseville,  
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**2025 TANC OASIS (PA-5) Annual Revenue Third Party Sales\***

**Monthly percentage of the YTD Total Revenue**

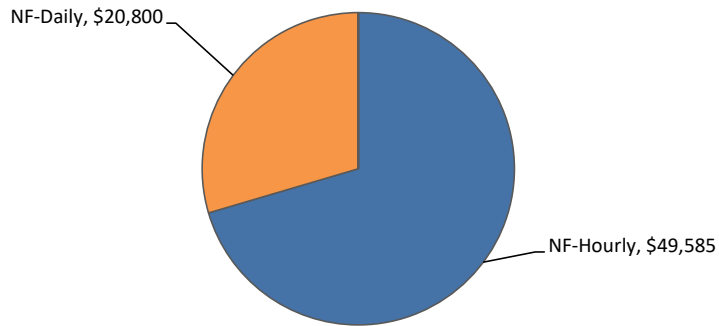
**Historical OASIS Sales & Percentages for July 2025  
2021-2025**



Jan	3%	Jul	15%
Feb	24%	Aug	0%
Mar	2%	Sep	0%
Apr	31%	Oct	0%
May	15%	Nov	0%
Jun	10%	Dec	0%

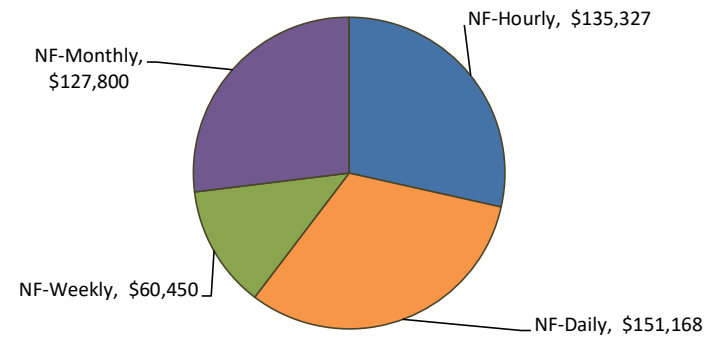
**2025 Product Sales**

Total July Sales \$70,385



**2025 YTD Product Sales**

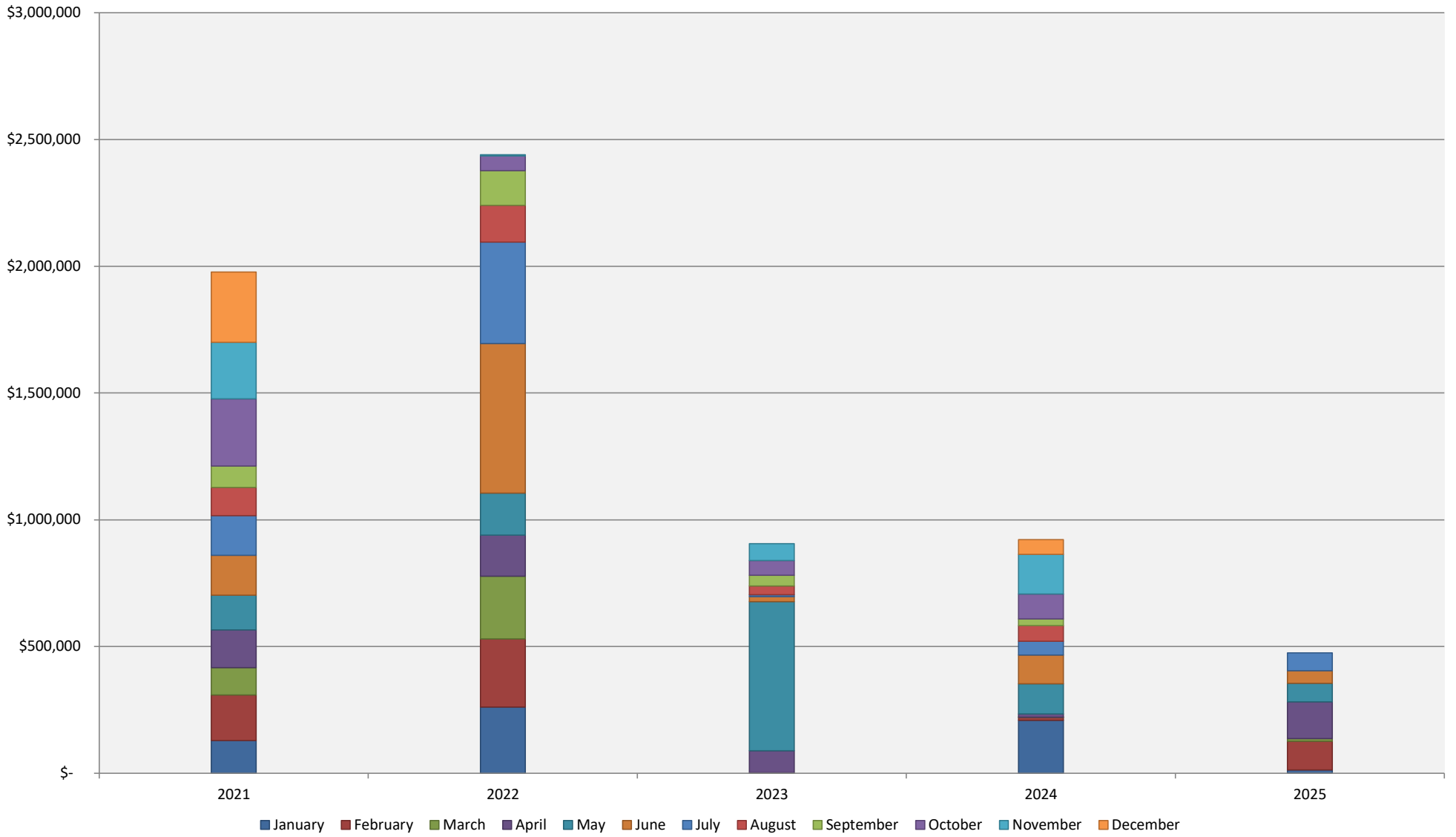
Total 2025 Sales \$0.47M



\* Includes OASIS sales data through July 2025. Does not include buy-backs or excess capacity purchases by TANC OASIS participants

2025 TANC OASIS (PA-5) Annual Revenue from Third Party Sales\*

Monthly Historical OASIS Sales  
January 2021 - July 2025



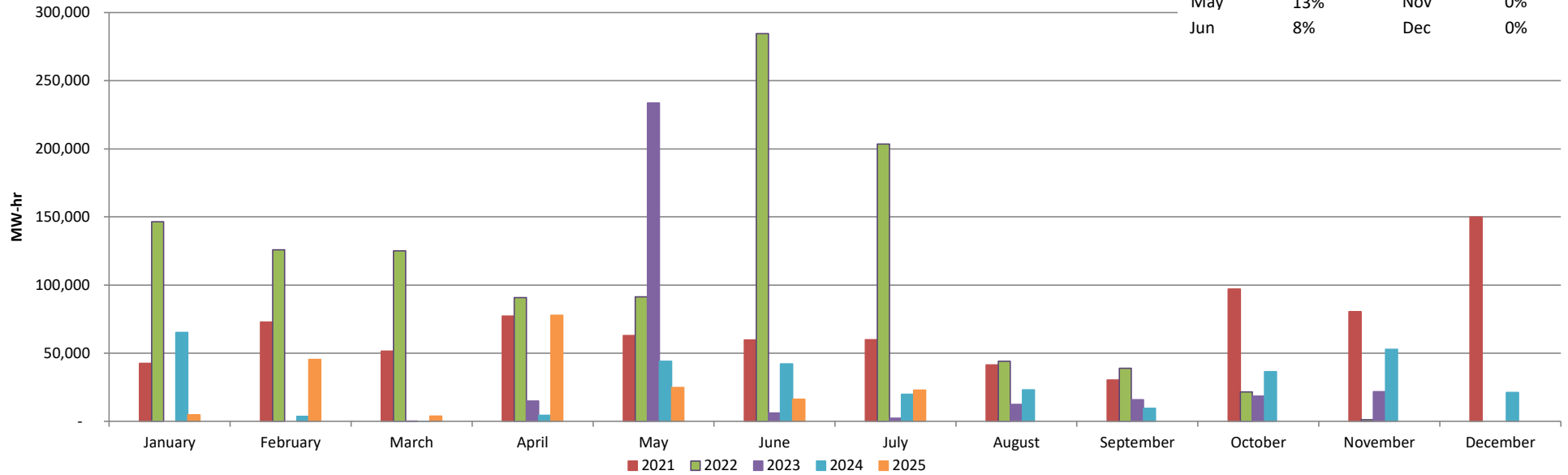
\* Includes OASIS sales data through July 2025. Does not include buy-backs or excess capacity purchases by TANC OASIS participants

2025 TANC OASIS (PA-5) Annual MWh Third Party Sales\*

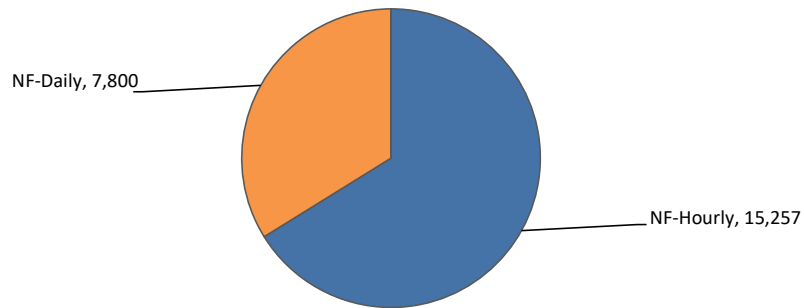
Monthly percentage of the YTD Total MWhr

Jan	2%	Jul	12%
Feb	23%	Aug	0%
Mar	2%	Sep	0%
Apr	40%	Oct	0%
May	13%	Nov	0%
Jun	8%	Dec	0%

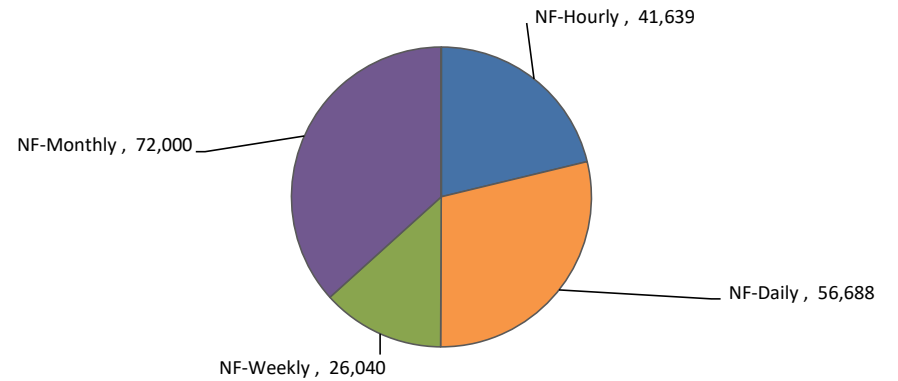
Historical OASIS Sales & Percentages for July 2025  
2021-2025



2025 MWh Sales  
Total July Sales 23,057 MWh



2025 YTD MWh Product Sales  
Total 2025 Sales 196.37 GWh

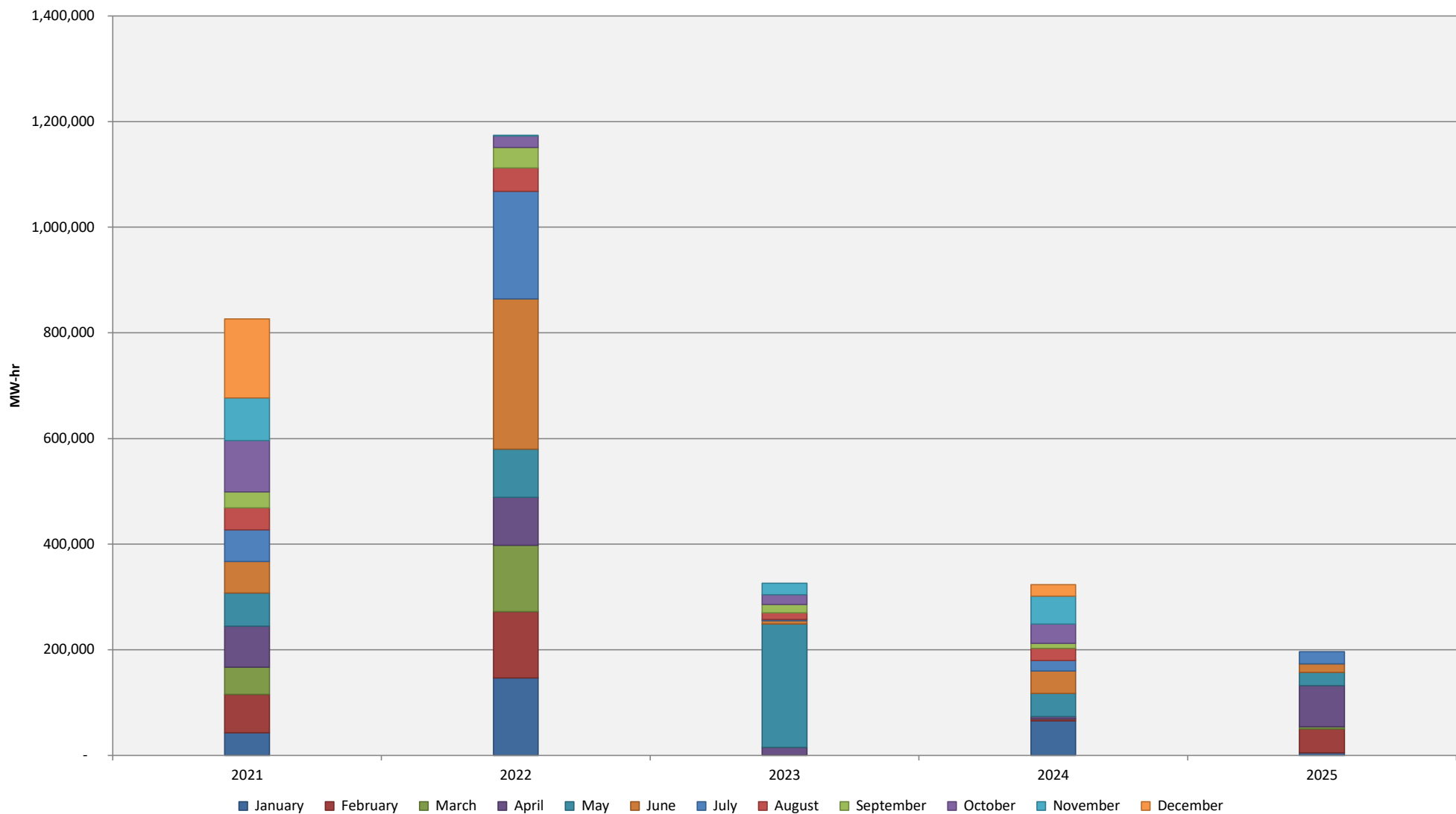


\* Includes OASIS sales data through July 2025. Does not include buy-backs or excess capacity purchases by TANC OASIS participants  
Includes sales only, does not include actual scheduled energy.

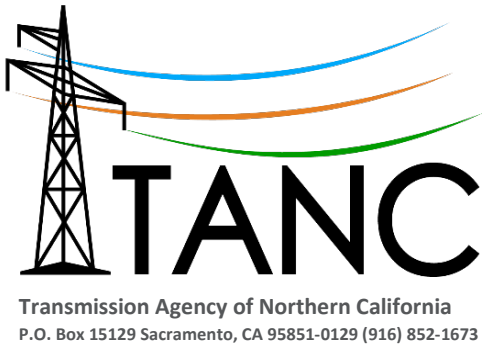
2025 TANC OASIS (PA-5) Annual MWh Third Party Sales\*

Monthly Historical OASIS Sales

January 2021 - July 2025



\* Includes OASIS sales data through July 2025. Does not include buy-backs or excess capacity purchases by TANC OASIS participants  
Includes sales only, does not include actual scheduled energy.



## MEMORANDUM

DATE: September 10, 2025

TO: TANC Commission

FROM: Cory Danson  
General Manager

SUBJECT: REPORT ON WILDFIRE ACTIVITIES

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The following provides an update on wildfire mitigation activities for the California-Oregon Transmission Project (COTP).

### **United States Department of Agriculture, Forest Service Announce Major Reorganization, Opens Comment Period<sup>1</sup>**

On July 24, 2025, United States Department of Agriculture (USDA) Secretary Rollins announced a major reorganization of the USDA aimed at restoring its core mission and improving operational efficiency. As part of this realignment, the USDA will reduce its Washington, D.C.-based workforce from approximately 4,600 employees to 2,000, with thousands of staff being relocated to five newly designated regional hubs located in Raleigh, North Carolina; Kansas City, Missouri; Indianapolis, Indiana; Fort Collins, Colorado; and Salt Lake City, Utah. The USDA will vacate certain Washington D.C. office spaces and is reassessing—but not eliminating—functions within the Yates Building, which has served as the Forest Service’s national headquarters since the 1990s<sup>2</sup>.

This marks the beginning of a multi-step restructuring process that will unfold over several months. As of the date of the announcement, more than 15,000 USDA employees have opted for

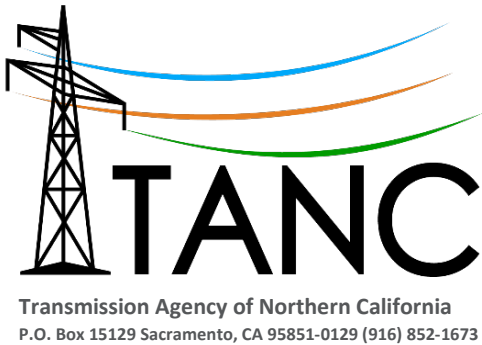
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<sup>1</sup> Source: American Forest Resource Council. August 2025 Newsletter.

<sup>2</sup> USDA is conducting the reorganization under its authority established in the Reorganization Plan No. 2 of 1953 (5 U.S.C. app.; 7 U.S.C. 2201 note) and The Department of Agriculture Reorganization Act of 1994 (Pub. L. 103-354). The secretarial memorandum delegates authority to the Deputy Secretary and underscores USDA’s focus on efficiency, geographic diversity, and long-term sustainability.

voluntary deferred resignation, signaling the scale of workforce reduction and transition now underway. Although more information is expected in the coming weeks, the Secretarial Memo attached to the announcement indicates that the Forest Service will begin phasing out its nine Regional Offices over the next year. This phase-out will be implemented with consideration for the current fire season and is expected to significantly shift the Forest Service's organizational structure. While not explicitly stated in the Memo, current intelligence suggests that regional office staff will be reassigned or relocated either to the new hubs or directly to individual National Forests. In addition, Regional Foresters are expected to assume broader geographic and administrative oversight responsibilities.

USDA announced on August 1, 2025, that it had opened a 30-day public comment period on its reorganization plan. Stakeholders, including USDA employees, Congressional offices, industry groups, and rural communities were invited to submit feedback via email to [reorganization@usda.gov](mailto:reorganization@usda.gov) through August 26, 2025. The California Municipal Utilities Association submitted comments expressing concerns regarding the closure of the regional office serving California.



## MEMORANDUM

DATE: September 10, 2025

TO: TANC Commission

FROM: Cory Danson  
General Manager

SUBJECT: REPORT ON TANC'S RELIABILITY STANDARDS COMPLIANCE PROGRAM

---

This memorandum provides the Transmission Agency of Northern California (TANC) Commission with an overview of recent activities that are related to TANC's compliance with applicable reliability standards.

### **North American Electric Reliability Corporation (NERC) Compliance Filing**

On August 11, 2025, the Federal Energy Regulatory Commission (FERC) accepted NERC's filing regarding performance metrics on the Reliability Standards development program and implementation and oversight of the Compliance Monitoring and Enforcement Program (CMEP). In the 2024 Order on Five-Year Performance Assessment, FERC directed NERC to submit a filing detailing performance metrics to "provide a more objective and systematic approach to determining the efficacy of the Electric Reliability Organization (ERO) programs and functions from one performance assessment period to the next." FERC also directed NERC to report on these metrics to "provide an objective, transparent, and consistent approach for FERC to assess ERO performance."

In response to the directive, NERC developed the following metrics:

- **Reliability Risk Metric:** Risk Identification to Action Metric – NERC will track the time from identifying a risk to the Bulk Power System to acting on that risk, whether initiating a standards development project or other mitigating action.

- **Standards Process Metric 1: Approval Rate Per Ballot** – NERC will track the percentage of ballots that achieve approval and the number of ballots necessary to achieve approval for each standard.
- **Standards Process Metric 2: Percentage Gained Between Ballots** – NERC will track the percentage of affirmative votes gained between each successive ballot.
- **Compliance Monitoring Metric 1: Risk Planning Completion Prior to Engagement** – NERC will track whether Regional Entities have completed Inherent Risk Assessments prior to conducting compliance monitoring activities, such as audits or spot checks of Registered Entities.
- **Compliance Monitoring Metric 2: Risk Planning Completion for Newly Registered Entities** – This metric will track the rate at which Regional Entities complete Inherent Risk Assessments for newly registered entities.
- **Compliance Monitoring Metric 3: Frequency of Inclusion of Reliability Standards from CMEP Implementation Plan in Monitoring Engagements** – This metric will assess the frequency of inclusion of the Reliability Standards requirements from the CMEP Implementation Plan in monitoring engagements, such as audits and spot checks.
- **Compliance Monitoring Metric 4: Internal Control Review during Monitoring Engagements** – This metric will track whether a Regional Entity reviews internal controls during compliance monitoring engagements.
- **Enforcement Metric 1: Yearly Submitted versus Yearly Processed Noncompliance** – This metric will compare the number of noncompliance submitted each year to the number of noncompliance processed each year.
- **Enforcement Metric 2: Compliance Exception Processing Time Status** – This metric will track the number of Compliance Exceptions processed within 180 days of being submitted.
- **Enforcement Metric 3: Inventory Reduction** – This metric will track the reduction of open inventory by reporting year.
- **Enforcement Metric 4: Serious Risk Dispositions with Aggravating Compliance History** – This metric will track serious risk dispositions with aggravating compliance history.



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P.O. Box 15129 Sacramento, CA 95851-0129 (916) 852-1673

## MEMORANDUM

DATE: September 10, 2025  
TO: TANC Commission  
FROM: Cory Danson  
General Manager  
SUBJECT: REPORT ON CAISO MATTERS

---

This memorandum provides an update on issues at the California Independent System Operator (CAISO) that are relevant to the Transmission Agency of Northern California (TANC).

### **Cluster 15 – Interconnection Queue Report**

On July 29, 2025, CAISO posted another informational report on its Cluster 15 interconnection queue, detailing how much capacity has qualified for the cluster study stage. All qualifying projects totaled just under 48,000 megawatts (MW) of estimated capacity, the vast majority of which was either Solar, Battery Storage, or a combination of Solar and Battery Storage. This report is a follow-up to the June 12, 2025 report that indicated a 73 percent reduction in number of interconnection requests and an 80 percent reduction in requested MW capacity compared to the initial Cluster 15 cycle in 2023, because of the Interconnection Process Enhancements (IPE) (2023) initiative.

### **Interconnection Process Enhancements 5.0 (2025)**

On August 11, 2025, CAISO hosted a stakeholder meeting to recap the impacts of IPE 2023, ongoing CAISO activities regarding monitoring interconnection procedures, and proposed next steps or additional enhancements. The CAISO indicated they were largely pleased with the most recent slate of enhancements and did not foresee major changes or additional proposed enhancements. There was minor discussion about evaluating “small load serving entities (LSEs)” versus “large LSEs”, revisiting consideration for projects with long-lead time restrictions and improving availability of network upgrade data. There was continued discussion about the discrepancy between the sequencing of higher queued Affected System Study projects’ inclusion

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Sacramento Municipal Utility District, Santa Clara, Turlock Irrigation District, Ukiah

in a lower queued Cluster Study. CAISO stated it's an ongoing issue with no clarification or useful guidance from the Federal Energy Regulatory Commission yet.

### **Extended Day-Ahead Market (EDAM)**

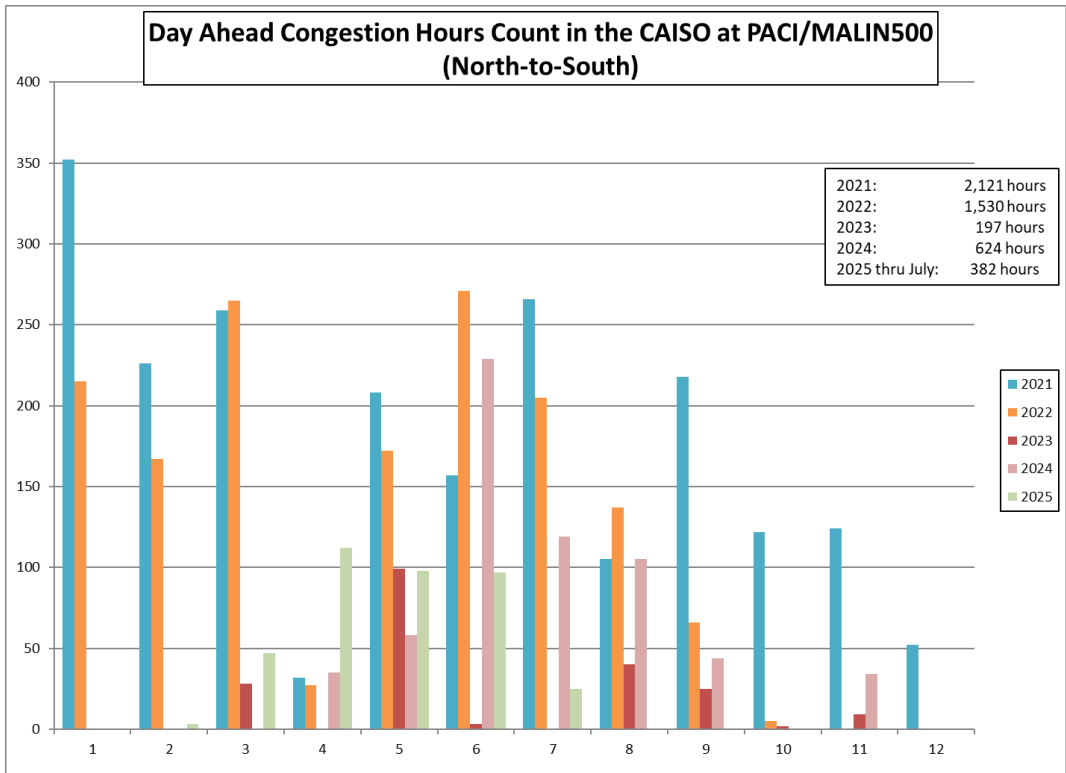
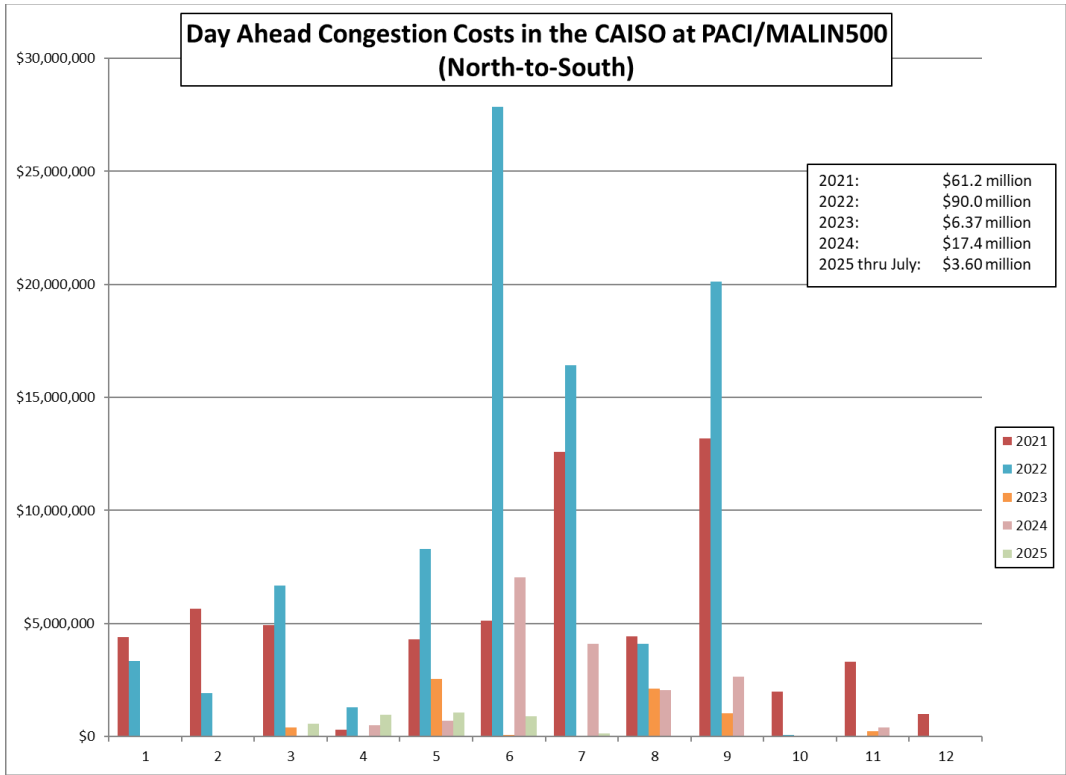
On August 18 and August 20, 2025, CAISO hosted EDAM training sessions on Market Functions and Settlements, respectively, aimed at Balancing Authority entities and their Scheduling Coordinators. The training sessions were focused on informational, theoretical exploration of EDAM functionality and processes. On August 21, 2025, CAISO hosted an EDAM Implementation Workshop. The Implementation Workshop differed from the training sessions by focusing more on the practical interfacing between EDAM Scheduling Coordinators and the relevant EDAM platforms. The workshop also extrapolated some of the more technical aspects of market functions. At the Implementation Workshop, there was a large amount of time spent on Intertie Participation, Intertie Scheduling, and the impact of Intertie Participation on both EDAM prices and Congestion Revenue Rights. CAISO also indicated that future stakeholder events would discuss and evaluate the California-Oregon Intertie separately from the broader list of interties applicable in the August 21 workshop.

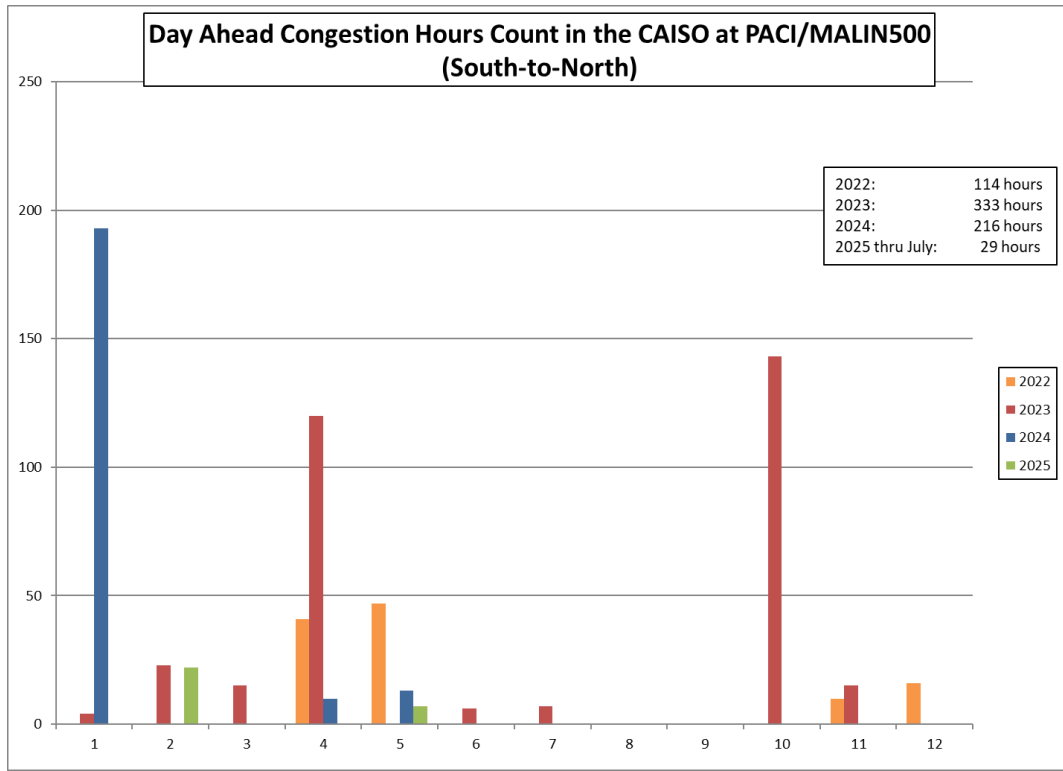
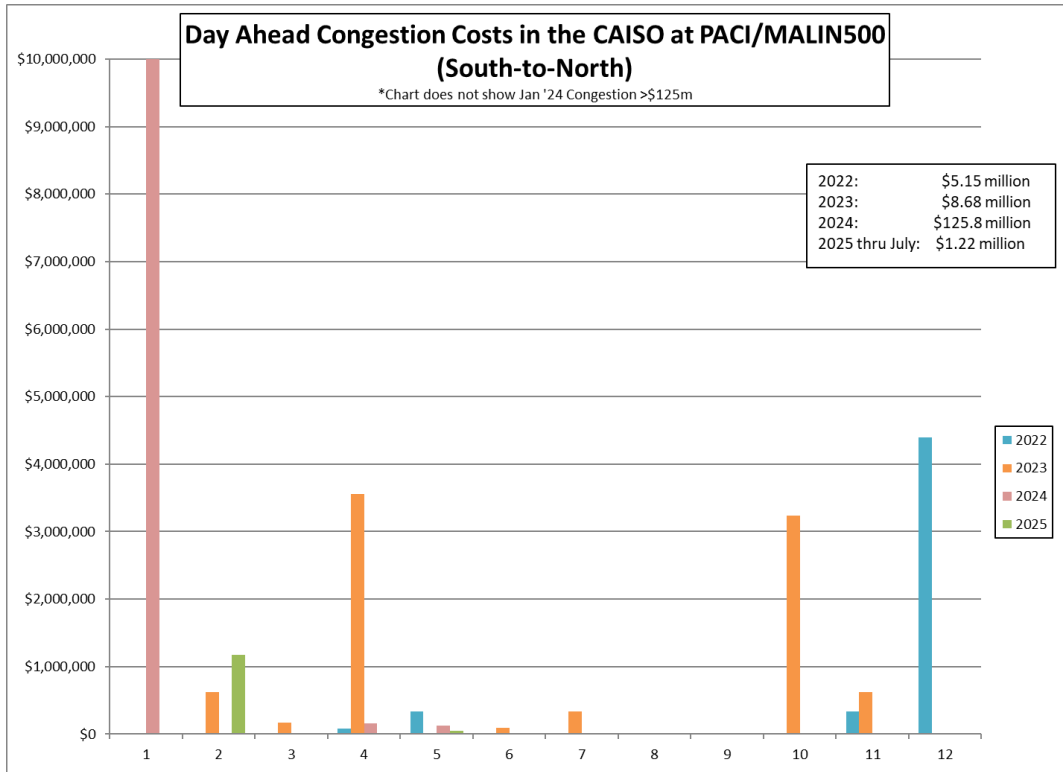
### **West-wide Governance Pathways Initiative (WWGPI)**

On August 28, 2025, the WWGPI consortium published draft documents of the Certificate of Incorporation and the Bylaws for the newly termed Regional Organization for Western Energy (ROWE). On August 29, 2025, the WWGPI hosted a stakeholder call to review these draft documents. The call also presented an updated Nominating Committee Process that will be used to identify one Sector Representative from each of the following sectors: 1) EDAM entities, 2) Western Energy Imbalance Market (WEIM) entities, 3) CAISO Participating Transmission Owners, 4) Non Investor Owned Utilities LSEs that serve load from EDAM or WEIM, 5) Public Interest Organizations, 6) consumer advocates, 7) large commercial and industrial customers, 8) independent transmission developers, and 9) Distributed Energy Resource providers. The Nominating Committee will be responsible for nominating and appointing the Board of Directors of the ROWE.

### **Congestion**

In July 2025, North-to-South congestion at Malin totaled \$130,445 over 25 hours. South-to- North congestion at Malin totaled \$0 over 0 hours. Year-to-date North-to-South congestion is \$3,598,861 over 382 hours, and year-to-date South-to-North congestion remains at \$1,222,336 over 29 hours. Below are charts depicting Congestion Costs and Hours of Congestion at Malin from January 2021 through July 2025 in the North-to-South direction. Charts for the same Costs and Hours in the South-to-North direction depicting congestion from January 2022 through July 2025 are also included.







Transmission Agency of Northern California  
P.O. Box 15129 Sacramento, CA 95851-0129 (916) 852-1673

## MEMORANDUM

DATE: September 10, 2025

TO: TANC Commission

FROM: Cory Danson  
General Manager

SUBJECT: REPORT ON 2025 TANC AUDIT SCHEDULE

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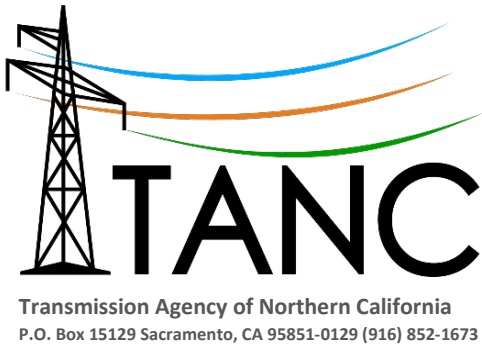
The 2025 Transmission Agency of Northern California annual audit schedule is attached.

Enclosure

A Public Entity whose Members include:  
Alameda, Biggs, Gridley, Healdsburg, Lodi, Lompoc, Modesto Irrigation District,  
Palo Alto, Plumas-Sierra Rural Electric Cooperative, Redding, Roseville,  
Sacramento Municipal Utility District, Santa Clara, Turlock Irrigation District, Ukiah

**Schedule for TANC Financial Statement Audit  
Fiscal Year Ending June 30, 2025**

Scheduled Date	Completed Date	Activity	Description
06/02/25		Audit Schedule	Rollforward audit schedule
06/02/25		Audit fieldwork date	Schedule fieldwork date with external auditors
06/13/25		Interim and fieldwork PBC's	Obtain interim and fieldwork PBC's
06/13/25		Treasury PBC Items	Email Treasury (Randy) audit requests (8/9 deadline)
06/13/25		GASB 72 evaluation	E-mail Treasury GASB 72 schedule for review and update
06/13/25		Form 700	Request Form 700 of Commissioners from TANC staff
06/20/25		Pre-audit conference call	Arrange Pre-Audit conference call between Auditors, SMUD and Guidehouse (scheduled 08/21)
06/20/25		Wrap up and Exit conference call	Schedule Wrap up meeting (scheduled 09/11) and Exit conference call (scheduled 10/7)
06/20/25		Audit schedule	Provide audit schedule to Assistant Controller for approval
06/27/25		Interim and fieldwork PBC's	Review interim and fieldwork PBC's; inquire with auditors as needed
07/02/25		Interim audit PBC items	Upload interim PBC items to SMUD External Audit Site
07/07/25		Control Matrices (Controller & Treasurer)	Update Internal Control Matrix and Activity Level Control Matrix
07/07/25		Interim work begins	Interim work for audit
07/11/25		Accruals for June close	TANC Staff to provide June accruals and supporting invoices by 7/12 (Sent accrual schedules July 1)
7/14 - 07/16/25		SM02 month end close	Park period 12 and annual entries
07/21/25		Cash, cash equivalent and debt confirms	Prepare cash, cash equivalent and debt confirms; provide to Treasurer for signature
07/21/25		Legal confirmations	Prepare Legal confirmations. Provide to Controller for signature.
07/24/25		SM02 year end close	Prepare Q4 entries and close period 12 to allow for additional review and analysis
7/28 - 07/29/25		Annual review of TANC	Perform annual review; record adjustments and re-close as necessary
07/30/25		Cash, cash equivalent and debt confirms	E-mail signed cash, cash equivalent and debt confirms to external auditors
07/30/25		Legal confirmations	E-mail signed legal confirmations to external auditors
07/30/25		MD&A - Financial Highlights	Provide MD&A Financial Highlights to Larry for update (8/25 deadline)
07/30/25		Cover design	Send cover design and color to Controller for approval; e-mail graphics for update (if there are changes)
07/30/25		Member cash call reconciliation	Perform TANC cash call summary and reconciliation
07/31/25		Member cash call reconciliation	Supervisor to review TANC Cash Call Summary and reconciliation
08/01/25		Member confirmations	Prepare Member confirmations; provide to Controller for signature.
08/05/25		Member confirmations	E-mail signed Member confirmations to external auditors
08/05/25		GASB Pronouncements Update	E-mail Statements group prior year "Recent Accounting Pronouncements" disclosure for update - due Sept 1
08/05/25		Insurance Program	E-mail Anna Marie prior year Insurance Program disclosure for update - due Sept 1
08/4 - 08/22/25		Fieldwork PBC	Perform Fieldwork PBCs
08/15/25		OATT excess calculation	Complete and provide OATT excess schedule to Assistant Controller for review
08/21/25		Conference call with auditors	Conference call with Treasurer/Controller Staff, TANC Staff and Auditors to discuss any issues for year, including a legal update
09/05/25		PBC workpapers to auditors	Upload PBC items to SMUD External Audit Site
09/08/25		Field work begins	Field work for regular audit
09/11/25		Wrap up meeting	Wrap up meeting between Auditors and Controller Staff
09/12/25		Field work ends	Field work for financial statement audit
09/11/25		Pro formas to Assistant Controller	Pro forma financial statements for review. Stmnt of Net Position, Changes in Net Position and Cash Flow
09/12/25		Representation Letter	Draft Representation Letter from Baker Tilly Provide to Supervisor and Assistant Controller for review
09/12/25		Pro formas to Controller	Pro forma financial statements to Controller for review. Stmnt of Net Position, Changes in Net Position and Cash Flow
09/12/25		Pro formas to auditors	Pro forma financial statements for review. Stmnt of Net Position, Changes in Net Position and Cash Flow
09/15/25		Financial statements to Assistant Controller	Provide financial statements, footnotes and MD&A to Assistant Controller for review
09/17/25		Financial statements to Controller	Provide financial statements, footnotes and MD&A to Controller for review
09/19/25		Financial statements to Auditors	Provide Auditors financial statements, footnotes and MD&A
09/24/25		Representation Letter	Provide Representation Letter from Baker Tilly to Controller, Treasurer, GM and Chair (cc Supervisor and Assistant Controller) for review requesting comments - due on 10/11
09/26/25		Auditors provide comments on financial statements	Baker Tilly to provide comments on financial statements including footnotes & MD&A
09/26/25		Email draft of statements A/B	Email draft of financial statements to Audit/Budget Committee Members & Controller - AB Committee comments due on 10/9
09/29/25		Contact lawyers for legal letters	Check with auditors if outstanding prior to follow up.
10/01/25		Financial statements to auditors	Financial statements with final adjustments to auditors for comments (if audit/budget has changes)
10/01/25		Final comments due from auditors	Final review comments from concurring partner
10/03/25		Final draft to Assistant Controller	Provide final draft financial statements to Assistant Controller for review
10/06/25		Final draft to Controller	Provide final draft financial statements to Controller for review
10/07/25		Exit conference call	Auditors to meet with Controller staff to discuss any audit findings and recommendations
10/07/25		No material weakness/mgmt letter	No material weakness letter due from auditors (draft)
10/07/25		Final representation letter	E-mail final representation letter for signatures
10/07/25		Final draft due to auditors	Final draft of financial statements due to auditors reflecting changes resulting from Auditor's comments
10/09/25		Signed representation letter	Representation letter to auditors
10/09/25		Signed opinions	Signed opinion from auditors
10/09/25		No default/no material weakness letters	Letters from auditors
10/16/25		Email final draft of statements A/B	E-mail Final Draft of FS and Audit Results (from Auditors) to Larry at Guidehouse
10/23/25		Presentation at Audit/Budget Committee meeting	Presentation by Audit Manager of audited Financial Statements for Fiscal Year ended June 30.
11/12/25		Commission PPT Presentation	E-mail Commission presentation (from Auditors) to Larry at Guidehouse
11/19/25		Presentation at Commission meeting	Presentation by Audit Partner of audited Financial Statements for Fiscal Year ended June 30.
11/19/25		Bond Indenture letter & Audited F/S	Send Bond Indenture letter and audited financials to Treasury
11/19/25		Final Audit FS	E-mail Final Audited FS electronic copy to A/B Committee and SMUD Management



## MEMORANDUM

DATE: September 10, 2025

TO: TANC Commission

FROM: Cory Danson  
TANC General Manager

SUBJECT: REPORT ON FY 2025 FOURTH QUARTER BUDGET VARIANCE REPORT

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Enclosed for Transmission Agency of Northern California (TANC) Commission review is the Fiscal Year (FY) 2025 fourth quarter budget variance report for the period July 1, 2024, through June 30, 2025. The report details TANC's budgeted line items compared to actual expenditure.

TANC concluded FY 2025 with expenses of \$34.8 million compared to a budget of \$133.6 million, for an under-budget variance of \$98.7 million, or 73.9 percent. The components that comprise this total variance are described below:

1. California-Oregon Transmission Project (COTP)  
COTP expenses are under budget by approximately \$97.9 million or 88.6 percent. The large differential is the result of the need to collect the funding for the purchase of the Series Capacitors which will be procured in the future.
2. Debt Service  
Debt service payments are under over budget by \$4,277.
3. TANC Agency  
The TANC Agency budget is under budget by \$333,473 or 23.6 percent. Staff Support was the only line item slightly above budget.

4. TANC Operations

TANC Operations came in under budget by \$111,197 or 7.7 percent. Items over budget were General Consultant – California Independent System Operator Matters and Special Counsel - Federal Energy Regulatory Commission Matters.

5. TANC Open Access Same-Time Information System (OASIS)

TANC OASIS is under budget by \$150,575 or 13.3 percent. General Consultant-OASIS Coordination was only line item over budget for the fiscal year.

6. Participating Transmission Owner (PTO) Engagement

PTO Engagement is over budget by \$4,206 or 42.1 percent.

7. South of Tesla (SOT)

SOT expenses are under budget by \$154,068 or 30.4 percent.

Enclosure



**TRANSMISSION AGENCY OF NORTHERN CALIFORNIA**  
**Forth Quarter Budget vs. Expenditure**  
**Fiscal Year 2025**

<b>FY'25 Budget</b>		<b>1st Qtr.</b>	<b>2nd Qtr.</b>	<b>3rd Qtr.</b>	<b>4th Qtr.</b>	<b>Annual Budget</b>	<b>Annual Budget</b>
<b>Category</b>		<b>07/24-9/24</b>	<b>10/24-12/24</b>	<b>01/25-03/25</b>	<b>04/25-06/25</b>	<b>07/24-06/25</b>	<b>Variance</b>
California-Oregon Transmission Project	Budget	\$ 4,747,600	\$ 93,950,400	\$ 5,401,800	\$ 6,428,800	\$ 110,528,600	\$ (97,979,440)
	Expenditure	2,358,852	2,809,365	1,817,869	5,563,073	12,549,160	-88.6%
Debt Service		7,336,170	3,738,966	3,738,966	3,738,597	18,552,699	4,277
		3,759,655	4,842,805	4,987,787	4,966,729	18,556,976	0.0%
TANC Agency		410,704	329,404	333,804	339,204	1,413,116	(333,473)
		307,804	280,441	225,790	265,607	1,079,643	-23.6%
TANC Operations		522,130	338,230	283,830	291,230	1,435,420	(111,197)
		396,094	464,933	257,428	205,767	1,324,223	-7.7%
TANC OASIS		187,532	185,132	188,732	572,032	1,133,428	(150,575)
		155,229	157,052	181,108	489,465	982,853	-13.3%
PTO Engagement		10,000	-	-	-	10,000	4,206
		4,435	2,696	2,114	4,961	14,206	42.1%
South of Tesla		127,368	126,472	126,972	126,740	507,552	(154,068)
		87,224	87,757	90,714	87,789	353,484	-30.4%
<b>Total Fiscal Year</b>	Budget	<b>13,341,504</b>	<b>98,668,604</b>	<b>10,074,104</b>	<b>11,496,603</b>	<b>133,580,815</b>	<b>(98,720,270)</b>
	Expenditure	<b>7,069,294</b>	<b>8,645,049</b>	<b>7,562,811</b>	<b>11,583,392</b>	<b>34,860,545</b>	<b>-73.9%</b>



**TRANSMISSION AGENCY OF NORTHERN CALIFORNIA**  
**Forth Quarter Budget vs. Expenditure**  
**Fiscal Year 2025**

<b>COTP Operations</b>			<b>1st Qtr.</b>	<b>2nd Qtr.</b>	<b>3rd Qtr.</b>	<b>4th Qtr.</b>	<b>Annual Budget</b>	<b>Annual Budget</b>
<b>Category</b>			<b>07/24-9/24</b>	<b>10/24-12/24</b>	<b>01/25-03/25</b>	<b>04/25-06/25</b>	<b>07/24-06/25</b>	<b>Variance</b>
<b><u>COTP Operations</u></b>								
Operations	Budget	\$	318,300	\$ 210,200	\$ 210,500	\$ 196,800	\$ 935,800	\$ (16,729)
	Expenditure		270,429	233,616	177,709	237,317	919,071	-1.8%
Maintenance			2,130,500	1,532,400	2,364,900	700,600	6,728,400	(4,051,150)
			526,291	1,131,375	557,733	461,851	2,677,250	-60.2%
Natural Resources			444,400	556,700	672,100	585,800	2,259,000	(1,036,922)
			274,555	174,016	49,911	723,595	1,222,078	-45.9%
Project Support			240,500	269,600	236,700	3,412,500	4,159,300	(231,691)
			253,943	321,164	153,187	3,199,316	3,927,609	-5.6%
Compliance			395,500	79,400	97,000	113,100	685,000	(243,816)
			117,544	117,086	93,529	113,024	441,184	-35.6%
Security/Safety			4,600	159,900	188,000	-	352,500	(352,186)
			-	150	202	(39)	314	-99.9%
<b>Subtotal COTP Operations</b>			<b>3,533,800</b>	<b>2,808,200</b>	<b>3,769,200</b>	<b>5,008,800</b>	<b>15,120,000</b>	<b>(5,932,495)</b>
			<b>1,442,762</b>	<b>1,977,407</b>	<b>1,032,270</b>	<b>4,735,065</b>	<b>9,187,505</b>	<b>-39.2%</b>
<b><u>Transmission Balancing</u></b>								
Sub-Balancing Authority			236,300	225,700	157,000	183,700	802,700	(304,253)
			191,368	127,638	89,669	89,771	498,447	-37.9%
Balancing Authority			603,000	603,000	628,200	628,200	2,462,400	(324,153)
			602,648	602,648	373,180	559,771	2,138,247	-13.2%
<b>Subtotal Transmission</b>			<b>839,300</b>	<b>828,700</b>	<b>785,200</b>	<b>811,900</b>	<b>3,265,100</b>	<b>(628,406)</b>
			<b>794,016</b>	<b>730,286</b>	<b>462,850</b>	<b>649,542</b>	<b>2,636,694</b>	<b>-19.2%</b>
<b>Subtotal COTP Operations and Maintenance</b>			<b>4,373,100</b>	<b>3,636,900</b>	<b>4,554,400</b>	<b>5,820,700</b>	<b>18,385,100</b>	<b>(6,560,901)</b>
			<b>2,236,778</b>	<b>2,707,694</b>	<b>1,495,120</b>	<b>5,384,607</b>	<b>11,824,199</b>	<b>-35.7%</b>
Capital Improvements			374,500	90,313,500	847,400	608,100	92,143,500	(91,418,540)
			122,074	101,672	322,749	178,466	724,960	-99.2%
<b>Total COTP Operations</b>	Budget		<b>4,747,600</b>	<b>93,950,400</b>	<b>5,401,800</b>	<b>6,428,800</b>	<b>110,528,600</b>	<b>(97,979,440)</b>
	Expenditure		<b>2,358,852</b>	<b>2,809,365</b>	<b>1,817,869</b>	<b>5,563,073</b>	<b>12,549,160</b>	<b>-88.6%</b>



**TRANSMISSION AGENCY OF NORTHERN CALIFORNIA**  
**Forth Quarter Budget vs. Expenditure**  
**Fiscal Year 2025**

<b>Debt Service</b>			<b>1st Qtr.</b>	<b>2nd Qtr.</b>	<b>3rd Qtr.</b>	<b>4th Qtr.</b>	<b>Annual Budget</b>	<b>Annual Budget</b>
<b>Category</b>			<b>07/24-9/24</b>	<b>10/24-12/24</b>	<b>01/25-03/25</b>	<b>04/25-06/25</b>	<b>07/24-06/25</b>	<b>Variance</b>
<b><u>Bond Program</u></b>								
<b>Principal</b>								
2016 Series A Bonds	Budget	\$	1,833,678	\$ 1,833,678	\$ 1,833,678	\$ 1,894,431	7,395,465	-
	Expenditure		1,833,678	1,833,678	1,833,678	1,894,431	7,395,465	0.0%
<b>Interest/Fees</b>								
2016 Series A Bonds			1,924,992	1,905,288	1,905,288	1,844,166	7,579,734	(19,704)
			1,925,977	1,905,288	1,905,288	1,823,477	7,560,030	-0.3%
Line of Credit			3,577,500	-	-	-	3,577,500	23,981
			-	1,103,838	1,248,821	1,248,821	3,601,481	0.7%
<b>Subtotal Interest/Fees</b>			<b>5,502,492</b>	<b>1,905,288</b>	<b>1,905,288</b>	<b>1,844,166</b>	<b>11,157,234</b>	<b>4,277</b>
			<b>1,925,977</b>	<b>3,009,127</b>	<b>3,154,109</b>	<b>3,072,298</b>	<b>11,161,511</b>	<b>0.0%</b>
<b>Total Debt Service</b>	Budget		<b>7,336,170</b>	<b>3,738,966</b>	<b>3,738,966</b>	<b>3,738,597</b>	<b>18,552,699</b>	<b>4,277</b>
	Expenditure		<b>3,759,655</b>	<b>4,842,805</b>	<b>4,987,787</b>	<b>4,966,729</b>	<b>18,556,976</b>	<b>0.0%</b>



**TRANSMISSION AGENCY OF NORTHERN CALIFORNIA**  
**Forth Quarter Budget vs. Expenditure**  
**Fiscal Year 2025**

<b>TANC Agency</b>			<b>1st Qtr.</b>	<b>2nd Qtr.</b>	<b>3rd Qtr.</b>	<b>4th Qtr.</b>	<b>Annual Budget</b>	<b>Annual Budget</b>
<b>Category</b>			<b>07/24-9/24</b>	<b>10/24-12/24</b>	<b>01/25-03/25</b>	<b>04/25-06/25</b>	<b>07/24-06/25</b>	<b>Variance</b>
<b><u>TANC Management</u></b>								
General Manager	Budget	\$	79,104	\$ 79,104	\$ 79,104	\$ 79,104	316,416	(130,048)
	Expenditure		42,368	48,000	48,000	48,000	186,368	-41.1%
Agency Dues			33,000	18,000	18,000	18,000	87,000	(38,636)
			5,840	11,031	1,743	29,750	48,364	-44.4%
Outreach/Media			5,000	3,000	3,000	1,000	12,000	(9,000)
			3,000	-	-	-	3,000	-75.0%
Miscellaneous Expenses			12,600	12,600	12,600	12,200	50,000	(26,664)
			2,777	7,779	9,010	3,770	23,336	-53.3%
<b>Subtotal TANC Management</b>			<b>129,704</b>	<b>112,704</b>	<b>112,704</b>	<b>110,304</b>	<b>465,416</b>	<b>(204,349)</b>
			<b>53,985</b>	<b>66,809</b>	<b>58,753</b>	<b>81,520</b>	<b>261,067</b>	<b>-43.9%</b>
Audit Services			52,900	-	-	-	52,900	(2,360)
			28,790	21,750	-	-	50,540	-4.5%
General Counsel			20,100	19,700	20,100	20,100	80,000	(48,061)
			14,414	4,248	7,331	5,946	31,939	-60.1%
Treasurer/Controller			92,000	85,000	85,000	87,800	349,800	(119,041)
			67,441	57,531	45,431	60,357	230,759	-34.0%
Staff Support			116,000	112,000	116,000	121,000	465,000	40,337
			143,175	130,103	114,276	117,784	505,337	8.7%
<b>Total TANC Agency</b>	Budget		<b>410,704</b>	<b>329,404</b>	<b>333,804</b>	<b>339,204</b>	<b>1,413,116</b>	<b>(333,473)</b>
	Expenditure		<b>307,804</b>	<b>280,441</b>	<b>225,790</b>	<b>265,607</b>	<b>1,079,643</b>	<b>-23.6%</b>



**TRANSMISSION AGENCY OF NORTHERN CALIFORNIA**  
**Forth Quarter Budget vs. Expenditure**  
**Fiscal Year 2025**

<b>TANC Operations</b>			<b>1st Qtr.</b>	<b>2nd Qtr.</b>	<b>3rd Qtr.</b>	<b>4th Qtr.</b>	<b>Annual Budget</b>	<b>Annual Budget</b>
<b>Category</b>			<b>07/24-9/24</b>	<b>10/24-12/24</b>	<b>01/25-03/25</b>	<b>04/25-06/25</b>	<b>07/24-06/25</b>	<b>Variance</b>
<b><u>General Consultant</u></b>								
WECC	Budget	\$	14,000	\$ 14,000	\$ 15,000	\$ 15,000	\$ 58,000	\$ (26,061)
	Expenditure		8,703	12,286	5,753	5,198	31,939	-44.9%
CMUA/Legislative/Regulatory			8,900	8,700	8,700	8,700	35,000	(8,218)
			7,668	6,330	7,983	4,803	26,783	-23.5%
Independent System Operator			48,000	46,000	48,000	48,000	190,000	23,803
			54,996	57,355	57,901	43,550	213,803	12.5%
Transmission Reliability Standards			21,300	21,300	21,300	21,100	85,000	(28,810)
			10,353	12,220	18,513	15,105	56,190	-33.9%
<b>Subtotal General Consultant</b>			<b>92,200</b>	<b>90,000</b>	<b>93,000</b>	<b>92,800</b>	<b>368,000</b>	<b>(39,286)</b>
			<b>81,719</b>	<b>88,191</b>	<b>90,149</b>	<b>68,655</b>	<b>328,714</b>	<b>-10.7%</b>
<b><u>Special Counsel</u></b>								
Committee Support			10,100	9,700	10,100	10,100	40,000	(20,369)
			8,702	3,334	3,722	3,873	19,631	-50.9%
Independent System Operator			6,900	6,400	6,800	6,900	27,000	(18,203)
			972	90	533	7,202	8,797	-67.4%
Reliability Standards			10,200	9,400	10,200	10,200	40,000	(37,706)
			1,118	816	360		2,294	-94.3%
FERC Matters			48,000	42,000	45,000	45,000	180,000	58,135
			42,685	110,666	62,580	22,204	238,135	32.3%
<b>Subtotal Special Counsel</b>	Budget		<b>75,200</b>	<b>67,500</b>	<b>72,100</b>	<b>72,200</b>	<b>287,000</b>	<b>(18,143)</b>
	Expenditure		<b>53,477</b>	<b>114,906</b>	<b>67,195</b>	<b>33,279</b>	<b>268,857</b>	<b>-6.3%</b>
<b><u>Financing/Advice</u></b>								
Financial Advisor Support	Budget		105,000	-	-	-	105,000	(57,554)
	Expenditure		47,446	-	-	-	47,446	-54.8%
Bond Trustee Fees			875	875	875	875	3,500	(3,500)
			-	-	-	-	-	-100.0%
<b>Subtotal Financing Advice</b>			<b>105,875</b>	<b>875</b>	<b>875</b>	<b>875</b>	<b>108,500</b>	<b>(61,054)</b>
			<b>47,446</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>47,446</b>	<b>-56.3%</b>
<b><u>Bond Counsel</u></b>								
Bond Counsel Support			75,000	-	-	-	75,000	31,000
			-	106,000	-	-	106,000	41.3%
Arbitrage Rebate Calculations			-	2,500	-	-	2,500	-
			-	-	2,500	-	2,500	0.0%
<b>Subtotal Bond Counsel</b>			<b>75,000</b>	<b>2,500</b>	<b>-</b>	<b>-</b>	<b>77,500</b>	<b>31,000</b>
			<b>-</b>	<b>106,000</b>	<b>2,500</b>	<b>-</b>	<b>108,500</b>	<b>40.0%</b>



**TRANSMISSION AGENCY OF NORTHERN CALIFORNIA**  
**Forth Quarter Budget vs. Expenditure**  
**Fiscal Year 2025**

<b>TANC Operations</b>		<b>1st Qtr.</b>	<b>2nd Qtr.</b>	<b>3rd Qtr.</b>	<b>4th Qtr.</b>	<b>Annual Budget</b>	<b>Annual Budget</b>
<b>Category</b>		<b>07/24-9/24</b>	<b>10/24-12/24</b>	<b>01/25-03/25</b>	<b>04/25-06/25</b>	<b>07/24-06/25</b>	<b>Variance</b>
<b><u>TANC Transmission Agreements</u></b>							
Path Operator		\$ 50,675	\$ 50,675	\$ 50,675	\$ 50,675	\$ 202,700	\$ 3,916
		50,664	50,664	50,664	54,625	206,616	1.9%
PG&E Interconnection		42,930	42,930	42,930	42,930	171,720	(36)
		42,921	42,921	42,921	42,921	171,684	0.0%
Land		11,250	8,750	6,250	13,750	40,000	(27,438)
		1,300	975	4,000	6,288	12,563	-68.6%
<b>Subtotal Transmission Agreements</b>		<b>104,855</b>	<b>102,355</b>	<b>99,855</b>	<b>107,355</b>	<b>414,420</b>	<b>(23,558)</b>
		<b>94,885</b>	<b>94,560</b>	<b>97,585</b>	<b>103,833</b>	<b>390,862</b>	<b>-5.7%</b>
<b>Power System Studies</b>		<b>69,000</b>	<b>75,000</b>	<b>18,000</b>	<b>18,000</b>	<b>180,000</b>	<b>(156)</b>
		<b>118,568</b>	<b>61,276</b>	<b>-</b>	<b>-</b>	<b>179,844</b>	<b>-0.1%</b>
<b>Subtotal TANC Operations</b>		<b>522,130</b>	<b>338,230</b>	<b>283,830</b>	<b>291,230</b>	<b>1,435,420</b>	<b>(111,197)</b>
	Budget	<b>522,130</b>	<b>338,230</b>	<b>283,830</b>	<b>291,230</b>	<b>1,435,420</b>	<b>(111,197)</b>
	Expenditure	<b>396,094</b>	<b>464,933</b>	<b>257,428</b>	<b>205,767</b>	<b>1,324,223</b>	<b>-7.7%</b>



**TRANSMISSION AGENCY OF NORTHERN CALIFORNIA**  
**Forth Quarter Budget vs. Expenditure**  
**Fiscal Year 2025**

<b>TANC OASIS</b>		<b>1st Qtr.</b>	<b>2nd Qtr.</b>	<b>3rd Qtr.</b>	<b>4th Qtr.</b>	<b>Annual Budget</b>	<b>Annual Budget</b>
<b>Category</b>		<b>07/24-9/24</b>	<b>10/24-12/24</b>	<b>01/25-03/25</b>	<b>04/25-06/25</b>	<b>07/24-06/25</b>	<b>Variance</b>
<b>General Manager</b>	Budget	\$ 14,832	\$ 14,832	\$ 14,832	\$ 14,832	\$ 59,328	\$ (24,384)
	Expenditure	7,944	9,000	9,000	9,000	34,944	-41.1%
<b>Treasurer/Controller</b>		-	-	-	8,300	8,300	(300)
		-	-	8,000	-	8,000	-3.6%
<b>OASIS Administrator</b>		-	-	-	375,000	375,000	(65,410)
		-	-	-	309,590	309,590	-17.4%
<b>WestTrans OATI</b>		39,600	39,600	40,800	40,800	160,800	(4,890)
		38,401	38,401	39,553	39,553	155,910	-3.0%
<b><u>General Consultant</u></b>							
OASIS Coordinator/Committee Support		48,000	46,000	48,000	48,000	190,000	21,069
		51,075	47,423	65,141	47,430	211,069	11.1%
WestConnect		10,100	9,700	10,100	10,100	40,000	(13,555)
		6,694	6,044	7,945	5,763	26,445	-33.9%
<b>Subtotal General Consultant</b>		<b>58,100</b>	<b>55,700</b>	<b>58,100</b>	<b>58,100</b>	<b>230,000</b>	<b>7,514</b>
		<b>57,769</b>	<b>53,466</b>	<b>73,086</b>	<b>53,193</b>	<b>237,514</b>	<b>3.3%</b>
<b><u>Special Counsel</u></b>							
OASIS Legal/Committee Support		60,000	60,000	60,000	60,000	240,000	(29,133)
		48,077	48,933	43,967	69,890	210,867	-12.1%
WestConnect		15,000	15,000	15,000	15,000	60,000	(33,971)
		3,038	7,251	7,501	8,239	26,029	-56.6%
<b>Subtotal Special Counsel</b>		<b>75,000</b>	<b>75,000</b>	<b>75,000</b>	<b>75,000</b>	<b>300,000</b>	<b>(63,104)</b>
		<b>51,115</b>	<b>56,184</b>	<b>51,468</b>	<b>78,129</b>	<b>236,896</b>	<b>-21.0%</b>
<b>Total TANC OASIS</b>	Budget	<b>187,532</b>	<b>185,132</b>	<b>188,732</b>	<b>572,032</b>	<b>1,133,428</b>	<b>(150,575)</b>
	Expenditure	<b>155,229</b>	<b>157,052</b>	<b>181,108</b>	<b>489,465</b>	<b>982,853</b>	<b>-13.3%</b>



**TRANSMISSION AGENCY OF NORTHERN CALIFORNIA**  
**Forth Quarter Budget vs. Expenditure**  
**Fiscal Year 2025**

<b>PTO Engagement</b>		<b>1st Qtr.</b>	<b>2nd Qtr.</b>	<b>3rd Qtr.</b>	<b>4th Qtr.</b>	<b>Annual Budget</b>	<b>Annual Budget</b>
<b>Category</b>		<b>07/24-9/24</b>	<b>10/24-12/24</b>	<b>01/25-03/25</b>	<b>04/25-06/25</b>	<b>07/24-06/25</b>	<b>Variance</b>
Special Counsel	Budget	10,000	-	-	-	10,000	4,206
	Expenditure	4,435	2,696	2,114	4,961	14,206	42.1%



**TRANSMISSION AGENCY OF NORTHERN CALIFORNIA**  
**Forth Quarter Budget vs. Expenditure**  
**Fiscal Year 2025**

<b>South of Tesla</b>			<b>1st Qtr.</b>	<b>2nd Qtr.</b>	<b>3rd Qtr.</b>	<b>4th Qtr.</b>	<b>Annual Budget</b>	<b>Annual Budget</b>
<b>Category</b>			<b>07/24-9/24</b>	<b>10/24-12/24</b>	<b>01/25-03/25</b>	<b>04/25-06/25</b>	<b>07/24-06/25</b>	<b>Variance</b>
<b>Transmission</b>								
<b>PG&amp;E Related Operations Costs</b>								
Facility Charges	Budget	\$	45,255	\$ 45,255	\$ 45,255	\$ 45,235	\$ 181,000	\$ (652)
	Expenditure		45,087	45,087	45,087	45,087	180,348	-0.4%
<b>TANC Management</b>								
General Manager			4,944	4,944	4,944	4,944	19,776	(8,128)
			2,648	3,000	3,000	3,000	11,648	-41.1%
<b>Treasurer and Controller</b>			5,600	5,200	5,500	5,300	21,600	(15,895)
			1,218	1,396	1,168	1,922	5,705	-73.6%
<b>General Consultant</b>								
Administration			7,500	7,500	7,500	7,500	30,000	(3,295)
			6,860	6,125	6,860	6,860	26,705	-11.0%
FERC Matters			6,300	6,100	6,300	6,300	25,000	(9,600)
			2,450	3,500	5,950	3,500	15,400	-38.4%
<b>Subtotal General Consultant</b>			13,800	13,600	13,800	13,800	55,000	(12,895)
			9,310	9,625	12,810	10,360	42,105	-23.4%
<b>Special Counsel- FERC Matters</b>			1,250	1,250	1,250	1,250	5,000	(5,000)
			-	-	-	-	-	-100.0%
<b>Subtotal South of Tesla</b>			70,849	70,249	70,749	70,529	282,376	(42,570)
			58,263	59,108	62,065	60,369	239,806	-15.1%
<b>Debt Service</b>			56,519	56,223	56,223	56,211	225,176	(111,498)
			28,960	28,649	28,649	27,419	113,678	-49.5%
<b>Total South of Tesla</b>	Budget		127,368	126,472	126,972	126,740	507,552	(154,068)
	Expenditure		87,224	87,757	90,714	87,789	353,484	-30.4%

**TAB 18**

**REPORT FROM THE TANC GENERAL MANAGER**

The TANC Commission will receive a report from the TANC General Manager



Transmission Agency of Northern California  
P.O. Box 15129 Sacramento, CA 95851-0129 (916) 852-1673

## MEMORANDUM

DATE: September 10, 2025

TO: TANC Commission

FROM: Cory Danson  
General Manager

SUBJECT: DISCUSSION REGARDING THE SERIES CAPACITOR PROCUREMENT  
PROJECT

---

The Transmission Agency of Northern California (TANC) Commission will discuss the status of the series capacitor procurement process.

A Public Entity whose Members include:  
Alameda, Biggs, Gridley, Healdsburg, Lodi, Lompoc, Modesto Irrigation District,  
Palo Alto, Plumas-Sierra Rural Electric Cooperative, Redding, Roseville,  
Sacramento Municipal Utility District, Santa Clara, Turlock Irrigation District, Ukiah



Transmission Agency of Northern California  
P.O. Box 15129 Sacramento, CA 95851-0129 (916) 852-1673

## MEMORANDUM

DATE: September 10, 2025

TO: TANC Commission

FROM: Cory Danson  
General Manager

SUBJECT: DISCUSSION REGARDING TANC's TREASURER/CONTROLLER

---

The Transmission Agency of Northern California (TANC) Commission will discuss the status and future of TANC's Treasurer/Controller.

A Public Entity whose Members include:  
Alameda, Biggs, Gridley, Healdsburg, Lodi, Lompoc, Modesto Irrigation District,  
Palo Alto, Plumas-Sierra Rural Electric Cooperative, Redding, Roseville,  
Sacramento Municipal Utility District, Santa Clara, Turlock Irrigation District, Ukiah



Transmission Agency of Northern California  
P.O. Box 15129 Sacramento, CA 95851-0129 (916) 852-1673

## MEMORANDUM

DATE: September 10, 2025

TO: TANC Commission

FROM: Cory Danson  
General Manager

SUBJECT: REPORT AND POTENTIAL ACTION ON TANC'S AVAILABLE CASH  
BALANCES

---

The Transmission Agency of Northern California (TANC) Commission will receive a report from TANC's Controller staff and may take action TANC's available cash balances through June 30, 2025.

Enclosure

A Public Entity whose Members include:  
Alameda, Biggs, Gridley, Healdsburg, Lodi, Lompoc, Modesto Irrigation District,  
Palo Alto, Plumas-Sierra Rural Electric Cooperative, Redding, Roseville,  
Sacramento Municipal Utility District, Santa Clara, Turlock Irrigation District, Ukiah

**Summary of Restricted & Unrestricted TANC Cash**  
**As of June 30, 2025**  
**Dollars in Thousands (000)**

	<u>6/30/2025</u>	<u>6/30/2024</u>	
<b>Total TANC Cash</b>	<b>\$ 86,965</b>	<b>\$ 88,919</b>	<b>(1) (1)</b>
<b>Restricted Cash:</b>			
<b>Less: Non Discretionary Funds:</b>			
Debt Service Reserve Requirement - required by bond indenture as a reserve	3,796	3,855	
Debt Service Fund - required by bond indenture to cover bond interest & principal	2,530	2,530	
<b>Total Non Discretionary Funds</b>	<u>6,326</u>	<u>6,385</u>	
<b>Less: Discretionary Funds:</b>			
Original 15 Members Equity (plus interest)	564	539	
Contingency (Non-OATT)	11,944	9,532	
<b>Total Discretionary Funds</b>	<u>12,508</u>	<u>10,071</u>	
<b>Unrestricted Cash (Working Capital &amp; OATT Contingency)</b>	<u>68,131</u>	<u>72,463</u>	
Less: 90 to 120 days Working Capital Per Resolution 2016-03	13,075	40,219	(2)
Less: Regulatory Matters (not cash called)	1,000	1,000	
Less: Floor Balance Per Resolution 2012-05	4,000	4,000	
<b>Unrestricted Cash for Potential Distribution</b>	<u>\$ 50,056</u>	<u>\$ 27,244</u>	

(1) Excludes COTP cash accounts held for COTP use of \$15,005 and \$14,250 for 06/30/2025 and 06/30/2024, respectively.

(2) Increased working capital as of 6/30/2024 due to WAPA's share of the series capacitor capital project of \$29M.



**TRANSMISSION AGENCY OF NORTHERN CALIFORNIA  
TOTAL AVAILABLE CASH FOR POTENTIAL DISTRIBUTION  
AS OF JUNE 30, 2025**

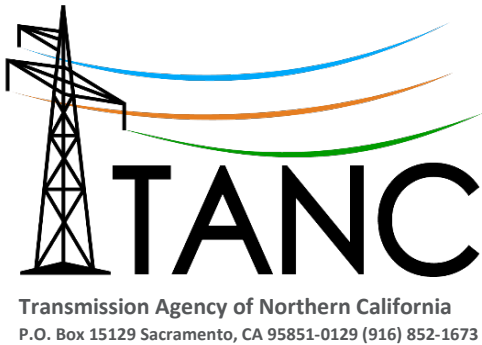
Total Unrestricted Cash Available as of 06/30/2025

\$ 50,056,026

**TANC Members**

Modesto Irrigation District  
 City of Redding  
 City of Roseville  
 Sacramento Municipal Utility District  
 City of Santa Clara  
 Turlock Irrigation District  
 NCPA:  
 City of Alameda  
 City of Healdsburg  
 City of Lodi  
 City of Lompoc  
 City of Palo Alto  
 Plumas Sierra Rual Electric Co-op  
 City of Ukiah

	BEGINNING CASH ALLOCATION %	MEMBER BEGINNING BALANCE	DISTRIBUTIONS		MEMBER ENDING BALANCE AFTER DISTRIBUTIONS	ENDING CASH ALLOCATION %
			GROUP	INDIVIDUAL		
	21.49%	\$ 10,754,686	\$ -	\$ -	\$ 10,754,686	21.49%
	7.85%	3,930,417	-	-	3,930,417	7.85%
	1.65%	823,581	-	-	823,581	1.65%
	39.30%	19,674,305	-	-	19,674,305	39.30%
	9.58%	4,793,023	-	-	4,793,023	9.58%
	20.14%	10,080,015	-	-	10,080,015	20.14%
	0.00%	-	-	-	-	0.00%
	0.00%	-	-	-	-	0.00%
	0.00%	-	-	-	-	0.00%
	0.00%	-	-	-	-	0.00%
	0.00%	-	-	-	-	0.00%
	0.00%	-	-	-	-	0.00%
	0.00%	-	-	-	-	0.00%
<b>TOTAL</b>	<b>100.00%</b>	<b>\$ 50,056,027</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 50,056,027</b>	<b>100.00%</b>



## MEMORANDUM

DATE: September 10, 2025

TO: TANC Commission

FROM: Cory Danson  
General Manager

SUBJECT: RESOLUTION APPROVING A REVISED TANC OATT

---

The Transmission Agency of Northern California (TANC) abides by its Open Access Transmission Tariff (OATT), in reciprocal accordance with Federal Energy Regulatory Commission (FERC) standards. Key parts of the OATT include the Large Generator Interconnection Procedures (LGIP) and the Large Generator Interconnection Agreement (LGIA). FERC Order 2023 and Order 2023-A – issued July 2023 and April 2024, respectively – provided a new *pro forma* OATT (including the LGIP and LGIA) that transformed how transmission providers should process and study interconnection requests. These orders were primarily due to the overwhelming number of generator projects seeking interconnection across the grid. Many transmission providers, including the California Independent System Operator and Sacramento Municipal Utility District, have already implemented OATT revisions pursuant to Order 2023 and Order 2023-A.

At the July 16, 2025, meeting, the TANC Commission approved suspending the TANC Interconnection Queue following a 30-calendar day public notice period and announcement on TANC’s Open Access Same-time Information System (OASIS) while the updates to the OATT (including the LGIP and LGIA) are prepared and considered (Resolution 2025-10). The TANC Interconnection Queue was then suspended on August 20, 2025, and will be reopened potentially in March 2026 subject to prior authorization by the TANC Commission.

The General Manager’s OATT Committee with support from TANC Special Counsel have revised TANC’s OATT (including the LGIP and LGIA) in accordance with FERC Order 2023 and Order 2023-A *pro forma* tariff. As a non-jurisdictional transmission provider, TANC does not need to

A Public Entity whose Members include:  
Alameda, Biggs, Gridley, Healdsburg, Lodi, Lompoc, Modesto Irrigation District,  
Palo Alto, Plumas-Sierra Rural Electric Cooperative, Redding, Roseville,  
Sacramento Municipal Utility District, Santa Clara, Turlock Irrigation District, Ukiah

TANC Commission

September 10, 2025

Page Two

adopt FERC's *pro forma* OATT fully nor exceed it in stringency. Thus, to the maximum extent reasonable, the revisions made to TANC's OATT adhere to the *pro forma* tariff with minimal deviations that accommodate TANC's unique organizational structure, resource capabilities, and transmission assets relative to most FERC-jurisdictional transmission providers.

At their meeting on September 4, 2025, the General Manager's OATT Committee recommended approval of the attached redline revisions to the TANC OATT (including the LGIP and LGIA).

Approval of the attached resolution will authorize implementation of the revised TANC OATT (including the LGIP and LGIA). Approval of the attached resolution will also authorize the TANC OASIS Provider (Western Area Power Administration – Sierra Nevada Region) to post a clean version of the revised TANC OATT on TANC's OASIS webpage at a future date 30 days before TANC is prepared to open its TANC Interconnection Queue (which is subject to the approval of the TANC Commission).

Enclosures

RESOLUTION 2025-\_\_

A RESOLUTION OF THE  
TRANSMISSION AGENCY OF NORTHERN CALIFORNIA  
REVISED OPEN ACCESS TRANSMISSION TARIFF

WHEREAS, the Transmission Agency of Northern California (TANC) is a joint exercise of powers agency organized under the laws of the State of California; and

WHEREAS, TANC, as a non-jurisdictional transmission provider, while not required to maintain an Open Access Transmission Tariff (OATT) in accordance with the requirements of the Federal Energy Regulatory Commission (FERC) does so to maintain reciprocal compliance with FERC standards; and

WHEREAS, in July 2023 and April 2024, respectively, FERC issued Order 2023 and 2023-A and provided a new *pro forma* OATT (including the Large Generator Interconnection Procedures (LGIP) and Large Generator Interconnection Agreement (LGIA)) that transformed how transmission providers should process and study interconnection requests; and

WHEREAS, the General Manager's OATT Committee in coordination with TANC Special Counsel have revised TANC's OATT (including the LGIP and LGIA) to be generally consistent with the Order 2023 and Order 2023-A *pro forma* FERC OATT to the extent feasible and with minimal deviations that accommodate TANC's unique organizational structure, resource capabilities, and transmission assets relative to most FERC-jurisdictional transmission providers; and

WHEREAS at their meeting on September 4, 2025, the General Manager's OATT Committee recommended approval of the revised TANC OATT (including the LGIP and LGIA), in accordance with FERC Order 2023 and 2023-A.

NOW, THEREFORE, BE IT HEREBY RESOLVED by the Commission of the Transmission Agency of Northern California that the revised TANC OATT (including the LGIP and LGIA), in accordance with FERC Order 2023 and 2023-A is approved.

BE IT FURTHER RESOLVED that the TANC OASIS Provider (Western Area Power Administration – Sierra Nevada Region) is authorized to post a clean version of the revised TANC OATT on TANC’s OASIS webpage at a future date 30 days before TANC is prepared to open its TANC Interconnection Queue (which is subject to the approval of the TANC Commission).

PASSED AND ADOPTED this 17<sup>th</sup> day of September on a motion by \_\_\_\_\_  
seconded by \_\_\_\_\_.

AYES      NOES      ABSTAIN      ABSENT

City of Alameda

City of Biggs

City of Gridley

City of Healdsburg

City of Lodi

City of Lompoc

Modesto Irrigation District

City of Palo Alto

Plumas-Sierra Rural Electric Cooperative

City of Redding

City of Roseville

Sacramento Municipal Utility District

City of Santa Clara

Turlock Irrigation District

City of Ukiah

## TRANSMISSION AGENCY OF NORTHERN CALIFORNIA

### *PRO FORMA* OPEN ACCESS TRANSMISSION TARIFF

**EFFECTIVE-**  
**July 1,**  
**2024**

**Commented [SD1]:** Effective Date will be inserted upon posting the Tariff on OASIS. The Effective Date is unknown at this time since we understand that TANC's interconnection customer is still in TANC's queue—if the customer remains in the queue, TANC may extend the queue suspension until the customer receives a final Facilities Study Report, since customers that received the final Facilities Study Report are not required to proceed through the transition process and TANC does not offer a transition process in this draft of the Tariff.

TANC's queue is currently suspended, as authorized, from August 20, 2025 - March 2, 2026.

**TABLE OF CONTENTS** Pro Forma

<b>I.</b>	<b>Common Service Provisions</b>	<b>18</b>
1.	Definitions	18
1.1	Affiliate:	18
1.2	Ancillary Services:	18
1.3	Application:	18
1.4	Balancing Authority:	18
1.5	Balancing Authority Area:	18
1.6	Balancing Authority Area Operator:	18
1.7	California-Oregon Transmission Project (COTP):	28
1.8	Commission:	29
1.9	Completed Application:	29
1.10	Curtailment:	29
1.11	Delivering Party:	29
1.12	Designated Agent:	29
1.13	Direct Assignment Facilities:	29
1.14	Eligible Customer:	29
1.15	Facilities Study:	39
1.16	Firm Point-To-Point Transmission Service:	340
1.17	Good Utility Practice:	340
1.19	Interruption:	340
1.20	Load Shedding:	340
1.21	Long-Term Firm and Non-Firm Point-to-Point Transmission Service:	340
1.22	Native Load Customers:	340
1.23	Network Upgrades:	410
1.24	Non-Firm Point-To-Point Transmission Service:	411
1.25	Non-Firm Sale:	411
1.26	Open Access Same-Time Information System (OASIS):	411
1.27	Part I:	411
1.28	Part II:	411
1.29	Part III:	411
1.30	Participating Member:	411
1.31	Parties:	411
1.32	Point(s) of Delivery:	511
1.33	Point(s) of Receipt:	512
1.34	Point-To-Point Transmission Service:	512
1.35	Power Purchaser:	512
1.36	Pre-Confirmed Application:	512
1.37	Receiving Party:	512
1.38	Regional Transmission Group (RTG):	512
1.39	Reserved Capacity:	512
1.40	Service Agreement:	512
1.41	Service Commencement Date:	612
1.42	Short-Term Firm Point-To-Point Transmission Service:	612
1.43	System Impact Study:	612
1.44	System Upgrades:	612
1.45	Third-Party Sale:	612

1.46	Transmission Agency of Northern California (TANC):.....	613
1.47	Transmission Customer:.....	613
1.48	Transmission Provider:.....	613
1.49	Transmission Service:.....	613
1.50	Transmission System:.....	713
2.	Initial Allocation and Renewal Procedures.....	713
2.1	Initial Allocation of Available Transfer Capability:.....	713
2.2	Reservation Priority for Existing Firm Service Customers:.....	744
3.	Ancillary Services.....	814
3.1	Scheduling, System Control and Dispatch Service:.....	916
3.2	Reactive Supply and Voltage Control from Generation or Other Sources Service:.....	916
3.3	Regulation and Frequency Response Service:.....	916
3.4	Energy Imbalance Service:.....	916
3.5	Operating Reserve - Spinning Reserve Service:.....	916
3.6	Operating Reserve - Supplemental Reserve Service:.....	1016
3.7	Generator Imbalance Service:.....	1016
4.	Open Access Same-Time Information System (OASIS).....	1016
5.	Tax-Exempt Debt.....	1017
5.1	Facilities Financed by Tax-Exempt Debt.....	1017
5.2	Alternative Procedures for Requesting Transmission Service:.....	1117
6.	Reciprocity.....	1117
7.	Billing and Payment.....	1218
7.1	Billing Procedure:.....	1218
7.2	Interest on Unpaid Balances:.....	1218
7.3	Customer Default:.....	1219
8.	Accounting for the Transmission Provider's Use of the Tariff.....	1319
8.1	Transmission Revenues:.....	1419
8.2	Study Costs and Revenues:.....	1419
9.	Regulatory Filings.....	1419
10.	Force Majeure and Indemnification.....	1420
10.1	Force Majeure:.....	1420
10.2	Indemnification:.....	1420
11.	Creditworthiness.....	1520
12.	Dispute Resolution Procedures Other Than Those Related To Termination Under Section.....	13
12.1	Notice and Request for Dispute Resolution Procedures:.....	1520
12.2	Internal Dispute Resolution Procedures:.....	1521
12.3	External Arbitration Procedures:.....	1621
12.4	Arbitration Decisions:.....	1621
12.5	Costs:.....	1622
13.	Changes to this Tariff by the Transmission Provider and Tariff Availability.....	1622
13.1	Unilateral Right to Change.....	1622
13.2	Tariff Availability.....	1722
13.3	Termination of Service Agreement:.....	1723
II.	Point-To-Point Transmission Service Preamble.....	1723
14.	Nature of Firm Point-To-Point Transmission Service.....	1823
14.1	Term:.....	1823
14.2	Reservation Priority:.....	1823

14.3	Use of Firm Transmission Service by the Transmission Provider:.....	1924
14.4	Service Agreements:.....	1924
14.5	Transmission Customer Obligations for Facility Additions:.....	1924
14.6	Curtailment of Firm Transmission Service:.....	1925
14.7	Classification of Firm Transmission Service: .....	2025
14.8	Scheduling of Firm Point-To-Point Transmission Service:.....	2126
15.	Nature of Non-Firm Point-To-Point Transmission Service.....	2126
15.1	Term:.....	2126
15.2	Reservation Priority:.....	2227
15.3	Use of Non-Firm Point-To-Point Transmission Service by the Transmission Provider:.....	2227
15.4	Service Agreements:.....	2227
15.5	Classification of Non-Firm Point-To-Point Transmission Service:.....	2227
15.6	Scheduling of Non-Firm Point-To-Point Transmission Service:.....	2328
15.7	Curtailment or Interruption of Service: .....	2328
16.	Service Availability.....	2429
16.1	General Conditions:.....	2429
16.2	Determination of Available Transfer Capability: .....	2429
16.3	Initiating Service in the Absence of an Executed Service Agreement: .....	2429
16.4	Obligation to Provide Transmission Service that Requires Expansion or Modification of the Transmission System:.....	2530
16.5	Deferral of Service:.....	2530
16.6	Other Transmission Service Schedules: .....	2530
16.7	Real Power Losses:.....	2530
17.	Transmission Customer Responsibilities.....	2631
17.1	Conditions Required of Transmission Customers:.....	2631
17.2	Transmission Customer Responsibility for Third-Party Arrangements:.....	2631
18.	Procedures for Arranging Firm Point-To-Point Transmission Service.....	2731
18.1	Application: .....	2731
18.2	Completed Application: .....	2731
18.3	Reservation of Firm Point-To-Point Transmission Service:.....	2832
18.4	Determination of Available Transfer Capability: .....	2832
18.5	Deposit: .....	2832
18.6	Notice of Deficient Application:.....	2933
18.7	Response to a Completed Application:.....	2933
18.8	Execution of Service Agreement:.....	2934
18.9	Extensions for Commencement of Service: .....	2934
19.	Procedures for Arranging Non-Firm Point-To-Point Transmission Service .....	3034
19.1	Application: .....	3034
19.2	Completed Application: .....	3035
19.3	Reservation of Non-Firm Point-To-Point Transmission Service:.....	3135
19.4	Determination of Available Transfer Capability: .....	3135
19.5	Deposit: .....	3136
20.	Additional Study Procedures for Firm Point-To-Point Transmission Service Requests .....	3136
20.1	Notice of Need for System Impact Study: .....	3136
20.2	System Impact Study Agreement and Cost Reimbursement: .....	3236
20.3	System Impact Study Procedures:.....	3237
20.4	Facilities Study Procedures:.....	3427
20.5	Facilities Study Modifications:.....	3538
20.6	Due Diligence in Completing New Facilities: .....	3538

20.7 Partial Interim Service: ..... 3538

20.8 Expedited Procedures for New Facilities:..... 3529

20.9 Failure to Meet Study Deadlines: ..... 3639

21. Procedures if the Transmission Provider is Unable to Complete New Transmission Facilities  
for Firm Point-To-Point Transmission Service..... 3640

21.1 Delays in Construction of New Facilities:..... 3640

21.2 Alternatives to the Original Facility Additions:..... 3740

21.3 Refund Obligation for Unfinished Facility Additions:..... 3740

22. Changes in Service Specifications..... 3741

22.1 Modifications on a Non-Firm Basis:..... 3741

22.2 Modification on a Firm Basis: ..... 3841

III. Other Specific Service Provisions..... 3841

Preamble ..... 3841

23. Provisions Relating to Transmission Construction and Services on the Systems of Other  
Utilities..... 3842

23.1 Responsibility for Third-Party System Additions:..... 3842

23.2 Coordination of Third-Party System Additions: ..... 3942

24. Sale or Assignment of Transmission Service..... 3942

24.1 Procedures for Assignment or Transfer of Service: ..... 3942

24.2 Limitations on Assignment or Transfer of Service: ..... 4043

24.3 Information on Assignment or Transfer of Service: ..... 4043

25. Metering and Power Factor Correction at Receipt and Delivery Points(s)..... 4043

25.1 Transmission Customer Obligations:..... 4043

25.2 Transmission Provider Access to Metering Data:..... 4044

25.3 Power Factor:..... 4044

26. Compensation for Transmission Service..... 4144

27. Stranded Cost Recovery..... 4144

28. Compensation for New Facilities ..... 4144

29. Jurisdiction Not Conferred..... 4144

**To be edited upon final approval**

I. COMMON SERVICE PROVISIONS ..... 1

1. Definitions ..... 1

1.1 Affiliate ..... 1

1.2 Ancillary Services ..... 1

1.3 Application ..... 1

1.4 Balancing Authority ..... 1

1.5 Balancing Authority Area ..... 1

1.6 Balancing Authority Area Operator ..... 1

1.7 California-Oregon Transmission Project (COTP) ..... 2

1.8 Commission ..... 2

1.9 Completed Application ..... 2

1.10 Curtailment ..... 2

1.11	Delivering Party .....	2
1.12	Designated Agent .....	2
1.13	Direct Assignment Facilities .....	2
1.14	Eligible Customer .....	2
1.15	Facilities Study .....	3
1.16	Firm Point To Point Transmission Service .....	3
1.17	Good Utility Practice .....	3
1.18	Interruption .....	3
1.19	Load Shedding .....	3
1.20	Long Term Firm and Non Firm Point to Point Transmission Service .....	3
1.21	Native Load Customers .....	3
1.22	Network Upgrades .....	4
1.23	Non Firm Point To Point Transmission Service .....	4
1.24	Non Firm Sale .....	4
1.25	Open Access Same Time Information System (OASIS) .....	4
1.26	Part I .....	4
1.27	Part II .....	4
1.28	Part III .....	4
1.29	Participating Member .....	4
1.30	Parties .....	4
1.31	Point(s) of Delivery .....	5
1.32	Point(s) of Receipt .....	5
1.33	Point To Point Transmission Service .....	5
1.34	Power Purchaser .....	5
1.35	Pre Confirmed Application .....	5
1.36	Receiving Party .....	5
1.37	Regional Transmission Group (RTG) .....	5
1.38	Reserved Capacity .....	5
1.39	Service Agreement .....	5
1.40	Service Commencement Date .....	6
1.41	Short Term Firm Point To Point Transmission Service .....	6

1.42	System Impact Study	6
1.43	System Upgrades	6
1.44	Third Party Sale	6
1.45	Transmission Agency of Northern California (TANC)	6
1.46	Transmission Customer	6
1.47	Transmission Provider	6
1.48	Transmission Service	6
1.49	Transmission System	7
2.	Initial Allocation and Renewal Procedures	7
2.1	Initial Allocation of Available Transfer Capability	7
2.2	Reservation Priority for Existing Firm Service Customers	7
3.	Ancillary Services	8
3.1	Scheduling, System Control and Dispatch Service	9
3.2	Reactive Supply and Voltage Control from Generation or Other Sources Service	9
3.3	Regulation and Frequency Response Service	9
3.4	Energy Imbalance Service	9
3.5	Operating Reserve – Spinning Reserve Service	9
3.6	Operating Reserve – Supplemental Reserve Service	10
3.7	Generator Imbalance Service	10
4.	Open Access Same Time Information System (OASIS)	10
5.	Tax Exempt Debt	10
5.1	Facilities Financed by Tax Exempt Debt	10
5.2	Alternative Procedures for Requesting Transmission Service	11
6.	Reciprocity	11
7.	Billing and Payment	12
7.1	Billing Procedure	12
7.2	Interest on Unpaid Balances	12
7.3	Customer Default	12
8.	Accounting for the Transmission Provider's Use of the Tariff	12
8.1	Transmission Revenues	13
8.2	Study Costs and Revenues	13
9.	Regulatory Filings	13
10.	Force Majeure and Indemnification	13
10.1	Force Majeure	13
10.2	Indemnification	13
11.	Creditworthiness	14
12.	Dispute Resolution Procedures Other Than Those Related To Termination Under Section 13	14
12.1	Notice and Request for Dispute Resolution Procedures	14
12.2	Internal Dispute Resolution Procedures	14
12.3	External Arbitration Procedures	15
12.4	Arbitration Decisions	15
12.5	Costs	15
13.	Changes to this Tariff by the Transmission Provider and Tariff Availability	15
13.1	Unilateral Right to Change	15

13.2	Tariff Availability .....	16
13.3	Termination of Service Agreement .....	16
II.	POINT TO POINT TRANSMISSION SERVICE .....	16
14.	Nature of Firm Point To Point Transmission Service .....	17
14.1	Term .....	17
14.2	Reservation Priority .....	17
14.3	Use of Firm Transmission Service by the Transmission Provider .....	18
14.4	Service Agreements .....	18
14.5	Transmission Customer Obligations for Facility Additions .....	18
14.6	Curtailment of Firm Transmission Service .....	18
14.7	Classification of Firm Transmission Service .....	19
14.8	Scheduling of Firm Point To Point Transmission Service .....	20
15.	Nature of Non Firm Point To Point Transmission Service .....	20
15.1	Term .....	20
15.2	Reservation Priority .....	21
15.3	Use of Non Firm Point To Point Transmission Service by the Transmission Provider .....	21
15.4	Service Agreements .....	21
15.5	Classification of Non Firm Point To Point Transmission Service .....	21
15.6	Scheduling of Non Firm Point To Point Transmission Service .....	22
15.7	Curtailment or Interruption of Service .....	22
16.	Service Availability .....	23
16.1	General Conditions .....	23
16.2	Determination of Available Transfer Capability .....	23
16.3	Initiating Service in the Absence of an Executed Service Agreement .....	23
16.4	Obligation to Provide Transmission Service that Requires Expansion or Modification of the Transmission System .....	24
16.5	Deferral of Service .....	24
16.6	Other Transmission Service Schedules .....	24
16.7	Real Power Losses .....	24
17.	Transmission Customer Responsibilities .....	25
17.1	Conditions Required of Transmission Customers .....	25
17.2	Transmission Customer Responsibility for Third Party Arrangements .....	25
18.	Procedures for Arranging Firm Point To Point Transmission Service .....	26
18.1	Application .....	26
18.2	Completed Application .....	26
18.3	Reservation of Firm Point To Point Transmission Service .....	27
18.4	Determination of Available Transfer Capability .....	27
18.5	Deposit .....	27
18.6	Notice of Deficient Application .....	28
18.7	Response to a Completed Application .....	28
18.8	Execution of Service Agreement .....	28
18.9	Extensions for Commencement of Service .....	28
19.	Procedures for Arranging Non Firm Point To Point Transmission Service .....	29
19.1	Application .....	29

19.2 Completed Application ..... 29

19.3 Reservation of Non Firm Point To Point Transmission Service ..... 30

19.4 Determination of Available Transfer Capability ..... 30

19.5 Deposit ..... 30

20. Additional Study Procedures for Firm Point To Point Transmission

    Service Requests ..... 30

    20.1 Notice of Need for System Impact Study ..... 30

    20.2 System Impact Study Agreement and Cost Reimbursement ..... 31

    20.3 System Impact Study Procedures ..... 31

    20.4 Facilities Study Procedures ..... 32

    20.5 Facilities Study Modifications ..... 33

    20.6 Due Diligence in Completing New Facilities ..... 33

    20.7 Partial Interim Service ..... 33

    20.8 Expedited Procedures for New Facilities ..... 33

    20.9 Failure to Meet Study Deadlines ..... 34

21. Procedures if the Transmission Provider is Unable to Complete New Transmission Facilities for Firm Point To Point Transmission Service ..... 34

    21.1 Delays in Construction of New Facilities ..... 34

    21.2 Alternatives to the Original Facility Additions ..... 35

    21.3 Refund Obligation for Unfinished Facility Additions ..... 35

22. Changes in Service Specifications ..... 35

    22.1 Modifications on a Non Firm Basis ..... 35

    22.2 Modification on a Firm Basis ..... 36

III. OTHER SPECIFIC SERVICE PROVISIONS ..... 36

23. Provisions Relating to Transmission Construction and Services on the Systems of Other Utilities ..... 36

    23.1 Responsibility for Third Party System Additions ..... 36

    23.2 Coordination of Third Party System Additions ..... 37

24. Sale or Assignment of Transmission Service ..... 37

    24.1 Procedures for Assignment or Transfer of Service ..... 37

    24.2 Limitations on Assignment or Transfer of Service ..... 38

    24.3 Information on Assignment or Transfer of Service ..... 38

25. Metering and Power Factor Correction at Receipt and Delivery Point(s) ..... 38

    25.1 Transmission Customer Obligations ..... 38

    25.2 Transmission Provider Access to Metering Data ..... 38

    25.3 Power Factor ..... 38

26. Compensation for Transmission Service ..... 39

27. Stranded Cost Recovery ..... 39

28. Compensation for New Facilities ..... 39

29. Jurisdiction Not Conferred ..... 39



- SCHEDULE 1 - Scheduling, System Control and Dispatch Service
- SCHEDULE 2 - Reactive Supply and Voltage Control from Generation Or Other Sources Service
- SCHEDULE 3 - Regulation and Frequency Response Service
- SCHEDULE 4 - Energy Imbalance Service
- SCHEDULE 5 - Operating Reserve - Spinning Reserve Service
- SCHEDULE 6 - Operating Reserve - Supplemental Reserve Service
- SCHEDULE 7 - [Long-Term Firm and](#) Short-Term Firm Point-to-Point Transmission Service
- SCHEDULE 8 - Non-Firm Point-to-Point Transmission Service
- SCHEDULE 9 - Generator Imbalance Service
- SCHEDULE 10 - Unreserved Use of Transmission Service
- ATTACHMENT A - Form of Service Agreement for Firm Point-to-Point Transmission Service
- ATTACHMENT B - Form of Service Agreement for Non-Firm Point-to-Point Transmission Service
- ATTACHMENT C - Methodology to Assess Transmission Capability
- ATTACHMENT D - Methodology for Completing a System Impact Study
- ATTACHMENT E - Index of Point-to-Point Transmission Service Customers
- ATTACHMENT F - Procedures to Address Parallel Flows
- ATTACHMENT G - Transmission Planning Process
- ATTACHMENT H - Transmission Creditworthiness Procedures
- ATTACHMENT I - Standard Large Generator Interconnection Procedures

## 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 Application:

An application is a request by an Eligible Customer for transmission service pursuant to the provisions of the Tariff.

#### 1.4 Balancing Authority:

As used in this Tariff, "Balancing Authority" has the same meaning as "Balancing Authority Area Operator."

#### 1.5 Balancing Authority Area:

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

- 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);
- Maintain scheduled interchange with other Control Areas, within the limits of Good Utility Practice; and
- Maintain the frequency of the electric power system(s) within reasonable limits in accordance with Good Utility Practice; and
- Provide sufficient generating capacity to maintain operating reserves in accordance with Good Utility Practice.

#### 1.6 Balancing Authority Area Operator:

An entity that operates the Balancing Authority Area and is responsible for related control area functions.

**1.7 California-Oregon Transmission Project (COTP):**

A 500-kV transmission line and associated facilities which extend from the Captain Jack substation near the California-Oregon border to the southern terminus substation in central California near Tracy. When used in this Tariff, it is the Transmission System owned, controlled, operated, or supported by TANC that is used to provide Transmission Service.

**1.8 Commission:**

The Federal Energy Regulatory Commission.

**1.9 Completed Application:**

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

**1.10 Curtailment:**

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

**1.11 Delivering Party:**

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

**1.12 Designated Agent:**

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

**1.13 Direct Assignment Facilities:**

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

**1.14 Eligible Customer:**

Any electric utility (including the Transmission Provider and any power marketer), Federal power marketing agency, or any person generating electric energy for sale 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)(2) 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.

**1.15 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.

**1.16 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.

**1.17 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).

**1.18 Interest:**

The amount of interest actually earned by Transmission Provider.

**4.481.19 Interruption:**

A reduction in non-firm transmission service due to economic reasons pursuant to Section 15.7.

**4.491.20 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.

**4.201.21 Long-Term Firm and Non-Firm Point-to-Point Transmission Service:**

Firm and Non-Firm Point-to-Point Transmission Service under Part II of the Tariff with a term of up to one year.

**4.241.22 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. In this case, Native Load refers to TANC's service obligation to its Participating Members.

**4.221.23 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.

**4.231.24 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 15.7 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 year.

**4.241.25 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 the seller.

**4.251.26 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, to the extent required by law.

**4.261.27 Part I:**

Tariff Definitions and Common Service Provisions contained in Sections 1 through 13.

**4.271.28 Part II:**

Tariff Sections 14 through 22 pertaining to Point-To-Point Transmission Service in conjunction with the applicable Common Service Provisions of Part I and appropriate Schedules and Attachments.

**4.281.29 Part III:**

Tariff Sections 23 through 29 pertaining to Other Specific Service Provisions as they may be stated and documented or as they may arise throughout the course of providing Point-to-Point Transmission Service.

**4.291.30 Participating Member:**

The Native Load Customers of TANC that are participating and represented under this Tariff and who hold grandfathered transmission rights pursuant to contract(s) that predate this Tariff. Those Participating Members are: Alameda, Healdsburg, Lodi, Lompoc, Modesto Irrigation District, Palo Alto, Plumas-Sierra Rural Electric Cooperative, Redding, Roseville, Santa Clara, Turlock Irrigation District, and Ukiah.

**4.301.31 Parties:**

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

**4.341.32 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.

**4.321.33 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.

**4.331.34 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.

**4.341.35 Power Purchaser:**

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

**4.351.36 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

**4.361.37 Receiving Party:**

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

**4.371.38 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.

**4.381.39 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.

**4.391.40 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.

**4.401.41 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 16.3 under the Tariff.

**4.441.42 Short-Term Firm Point-To-Point Transmission Service:**

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

**4.421.43 System Impact Study:**

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

**4.431.44 System Upgrades:**

Modifications and/or additions to transmission-related facilities that are integrated with and support the COTP for the general benefit of all users of such COTP.

**4.441.45 Third-Party Sale:**

Any sale for resale in interstate commerce to a Power Purchaser.

**4.451.46 Transmission Agency of Northern California (TANC):**

A joint powers agency created in 1984 pursuant to California law consisting of 15 publicly owned utilities and irrigation districts.

**4.461.47 Transmission Customer:**

Any Eligible Customer (or its Designated Agent) that executes a Service Agreement to receive transmission service under Part II of the Tariff.

**4.471.48 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. For purposes of this Tariff, TANC is the identified Transmission Provider.

**4.481.49 Transmission Service:**

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

**4.491.50 Transmission System:**

The California-Oregon Transmission Project (COTP), a 500-kV transmission line extending from Captain Jack on the northern end to the Tracy Substation on the southern end.

**2. Initial Allocation and Renewal Procedures****2.1 Initial Allocation of Available Transfer Capability:**

For purposes of determining whether Transmission System is adequate to accommodate a request for firm service under this Tariff, all Completed Applications for new firm transmission service received during the initial sixty (60) day period commencing with the effective date of the Tariff will be deemed to have been filed simultaneously. A lottery system conducted by an independent party shall be used to assign priorities for Completed Applications filed simultaneously. All Completed Applications for firm transmission service received after the initial sixty (60) day period shall be assigned a priority pursuant to Section 14.2.

**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 for such service provided that, the firm service customer shall have a right of first refusal at the end of such service only if the new contract is for five years or more. The existing firm service customer must provide notice to the Transmission Provider whether it will exercise its right of first refusal no less than one year prior to the expiration date of its transmission service agreement. This transmission reservation priority for existing firm service customers is an ongoing right that may be exercised at the end of all firm contract terms of five years or longer. Service agreements subject to a right of first refusal entered into prior to the July 13, 2007 effective date of revisions to the Transmission Provider's OATT, unless terminated, will become subject to the five year/one year requirement on the first rollover date after the July 13, 2007 effective date of revisions to the Transmission Provider's OATT, provided that, the one year notice requirement shall apply to such service agreements with five years or more left in their terms as of the date of the July 13, 2007 effective date of revisions to the Transmission Provider's OATT. This section is inapplicable to transmission service provided under Transmission Provider's OATT pursuant to Sections 1.16, 1.23, 14.2, and 15.1 of Transmission Provider's OATT.

### 3. Ancillary Services

Ancillary Services are needed with transmission service to maintain reliability within and among the Balancing Authority Areas affected by the transmission service. The Transmission Provider is required to provide (or offer to arrange with the local Balancing Authority 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 Balancing Authority as discussed below) the following Ancillary Services only to the Transmission Customer serving load within the Transmission Provider's Host Balancing Authority 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 Host Balancing Authority Area is required to acquire these Ancillary Services, whether from the Transmission Provider, from a third party, or by self-supply.

The Transmission Provider is required to provide (or offer to arrange with the local Balancing Authority 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 Balancing Authority Area. The Transmission Customer using Transmission Service to deliver energy from a generator located within the Transmission Provider's Balancing Authority Area is required to acquire Generator Imbalance Service, whether from the Transmission Provider, from a third party, or by self-supply. TANC does not have, and does not have available to it, resources that would allow it to provide Generation Imbalance Service.

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 Customer must list in its Application which Ancillary Services it will purchase from the Transmission Provider. A Transmission Customer that exceeds its 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 pursuant to Schedule 10.

If the Transmission Provider is an entity providing transmission service but is not a Balancing Authority, as in the case of TANC, 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 Balancing Authority. The Transmission Customer may elect to (i) have the Transmission Provider act as its agent, (ii) secure the Ancillary Services directly from the Balancing Authority, 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, (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:**

The rates and/or methodology are described in Schedule 3.

**3.4 Energy Imbalance Service:**

The rates and/or methodology are described in Schedule 4.

**3.5 Operating Reserve - Spinning Reserve Service:**

The rates and/or methodology are described in Schedule 5.

**3.6 Operating Reserve - Supplemental Reserve Service:**

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)**

Terms and conditions regarding the non-discriminatory open access of transmission using the Open Access Same-Time Information System and standards of conduct are set forth in 18 C.F.R. § 37 of the Commission's regulations to the extent required by law (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 (ATC) 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 Section 20.

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 its public website an electronic link to the NAESB website where any rules, standards and practices that are protected by copyright may be obtained. The Transmission Provider shall also post on OASIS and its public website an electronic link to a statement of the process by which the Transmission Provider shall add, delete or otherwise modify the rules, standards and practices that are not included in this tariff. Such process shall set forth the means by which the Transmission Provider shall provide reasonable advance notice to Transmission Customers and Eligible Customers of any such additions, deletions or modifications, the associated effective date, and any additional implementation procedures that the Transmission Provider deems appropriate.

**5. Tax-Exempt Debt****5.1 Facilities Financed by Tax-Exempt Debt:**

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 tax-exempt debt 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:**

If the Transmission Provider determines that the provision of transmission service requested by an Eligible Customer would jeopardize the tax-exempt status of any tax-exempt debt 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 and shall not be obligated to provide the requested transmission service.

**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 three days of each month, the Transmission Provider, or its Designated Agent, 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 so that such payments are received by the Transmission Provider on the twentieth (20) day of the invoicing month or the tenth (10) day after receipt of the bill, whichever is later. All payments shall be made in immediately available funds payable to the Transmission Provider, its Designated Agent, or by wire transfer to a bank named by the Transmission Provider.

### 7.2 Interest on Unpaid Balances:

Bills not paid in full by the Transmission Customer by the due date specified in Section 7.1 shall bear an interest charge of five hundredths percent (0.05%) of the principal sum unpaid for each day payment is delinquent, to be added until the amount due is paid in full. Interest on 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" for purposes of this Tariff). Interest on delinquent amounts shall be calculated from the due date of the bill to the date of payment. When payments are made by mail, bills shall be considered as having been paid on the date of receipt by the Transmission Provider. Payments received will be first applied to the charges for late payment assessed on the principal and then to payment of the principal.

### 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 ten (10) 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 demand payment of any security provided by the Transmission Customer and may initiate procedures under Section 12.1 of this Tariff to terminate service but shall not terminate service until it obtains approval for any such request pursuant to Section 12.1. 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 terminate service pursuant to this Section 7.3.

**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**

If any regulatory body or agency, or any court of competent jurisdiction, determines that this Tariff, its operation or effect is unjust, unreasonable, unlawful, imprudent or otherwise not in the public interest, the Transmission Provider may, at its discretion, unilaterally make such changes to this Tariff as it deems are necessary to eliminate such defect or eliminate that determination.

**10. Force Majeure and Indemnification****10.1 Force Majeure:**

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

**10.2 Indemnification:**

The Transmission Customer shall at all times indemnify, defend, and save the Transmission Provider harmless from, any and all damages, losses, claims, including claims and actions relating to injury to or death of any person or damage to property, demands, suits, recoveries, costs and expenses, court costs, attorney fees, and all other obligations by or to third parties, arising out of or resulting from the Transmission Provider's performance of its obligations under this Tariff on behalf of the

Transmission Customer, except in cases of negligence or intentional wrongdoing by the Transmission Provider.

## 11. Creditworthiness

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

## 12. Dispute Resolution Procedures Other Than Those Related To Termination Under Section 13

The provisions of Section 12 shall be the exclusive basis by which to resolve all disputes arising under this Tariff except as otherwise provided in Section 13 and except for those disputes resulting from the Transmission Provider's proposed termination of service under Section 13.

### 12.1 Notice and Request for Dispute Resolution Procedures:

Prior to terminating service pursuant to the provisions of Section 7.3, the Transmission Provider shall provide written notice to the Transmission Customer of its intent to terminate service at least sixty (60) days prior to the date such termination is proposed to take effect. If the Transmission Customer does not request in writing to the Transmission Provider, within seven (7) calendar days of the Transmission Customer's receipt of notice, that the Transmission Provider initiate the arbitration provision of this Section 12, the Transmission Provider shall terminate service on the date contained in its notice to the customer. If the Transmission Customer requests in writing that the Transmission Provider initiate arbitration proceedings, the provisions of Sections 12.2 through 12.5 shall apply.

### 12.2 Internal Dispute Resolution Procedures:

Any dispute between a Transmission Customer and the Transmission Provider involving Transmission Service under the Tariff, (excluding disputes involving the Transmission Provider's proposed termination of service under Section 13 and disputes regarding applications for rate changes or other changes to the Tariff, or to any Service Agreement entered into under the Tariff) shall be referred to a designated senior representative of the Transmission Provider and a senior representative of the Transmission Customer for resolution on an informal basis as promptly as practicable. In the event the designated representatives are unable to resolve the dispute within thirty (30) days (or such other period as the Parties may agree upon) by mutual agreement, such dispute may be submitted to arbitration and resolved in accordance with the arbitration procedures set forth below.

**12.3 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 Regional Transmission Group rules ("Arbitration Rules"), provided, however, in the event of a conflict between the Arbitration Rules and the terms of this Section 12.3, the terms of this Section 12.3 shall prevail.

**12.4 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 therefore. 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 governed by the rules of the State of California. 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.

**12.5 Costs:**

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

- 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
- one half the cost of the single arbitrator jointly chosen by the Parties.

**13. Changes to this Tariff by the Transmission Provider and Tariff Availability****13.1 Unilateral Right to Change**

Notwithstanding any other provision in this Tariff or a Service Agreement, the Transmission Provider shall have the right unilaterally to make a change in rates,

charges, classification of service, or any rule, regulation, or Service Agreement related thereto. The Transmission Provider will notify current Transmission Customers thirty (30) days before a change becomes effective.

### **13.2 Tariff Availability**

Notwithstanding any other provision of this Tariff, the Transmission Provider may terminate this Tariff and all Service Agreements hereunder, effective immediately and without satisfying the requirements of any other provisions of this Tariff, if the Commission issues an order that modifies the Transmission Provider's satisfaction of public utilities' reciprocity provisions, a court of competent jurisdiction vacates any order affecting said satisfaction, or after petition for review, the Commission modifies said satisfaction in a manner determined by the Transmission Provider to be unacceptable to the Transmission Provider, in its sole discretion.

Further, nothing contained in this Tariff shall restrict the Transmission Provider's right, unilaterally, to withdraw the Tariff at any time. Except as otherwise provided in this Sections 13.2 or 13.3, such withdrawal shall not affect existing Service Agreements for Firm Point-to-Point Transmission Service entered into under the Tariff. Upon such withdrawal of this Tariff, all Service Agreements for Non-Firm Point-to-Point Transmission Service shall terminate immediately, provided that the Transmission Provider shall complete Non-Firm Point-to-Point Transmission Service for specific scheduled Non-Firm Point-to-Point Transmission Service transactions prior to the date of termination of the Tariff (not to exceed service for three months). The Transmission Provider shall provide at least 30 days-notice of its intent to terminate this Tariff to Transmission Customers that have entered into Service Agreements for Non-Firm Point-to-Point Transmission Service.

### **13.3 Termination of Service Agreement:**

The Transmission Provider may terminate any Service Agreement that it determines may jeopardize the tax-exempt status of its debt, pursuant to Section 5.

## **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 utilizing the ATC that is posted on the Transmission Provider's OASIS (Section 4). A description of the Transmission Provider's specific methodology for assessing ATC is contained in Attachment C of the 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.

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

### 14.1 Term:

The minimum term of Firm Point-To-Point Transmission Service shall be one day, with both weekly and monthly product options offered by the Transmission Provider. The maximum term in which a Transmission Customer may acquire Firm service under this tariff is the annual product, which shall not be less than nor exceed, a one year term.

### 14.2 Reservation Priority:

- (i) Long-Term Firm Point-To-Point Transmission Service shall be available on a first-come, first-served basis.
- (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 ATC 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 14.8) 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)~~(iii) Firm Point-To-Point Transmission Service will always have a reservation priority over Non-Firm Point-To-Point Transmission Service under the Tariff. Reservation priorities for existing firm service customers are provided in Section 2.2.

#### **14.3 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 from ATC under agreements executed on or after the effective date of this Tariff. 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.

#### **14.4 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 Firm Point-To-Point Transmission Service pursuant to the Tariff. An Eligible Customer that uses Transmission Service at a Point of Receipt or Point of Delivery that it has not reserved and that has not executed a Service Agreement will be deemed, for purposes of assessing any appropriate charges and penalties, to have executed the appropriate Service Agreement.

#### **14.5 Transmission Customer Obligations for Facility Additions:**

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 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 16.4. The Transmission Customer must agree to compensate the Transmission Provider for any necessary transmission facility additions pursuant to the terms of Section 28. Any System Upgrade or Direct Assignment Facilities costs to be charged to the Transmission Customer under the Tariff will be specified in the Service Agreement prior to initiating service.

#### **14.6 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,

Curtailements 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 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 Curtailements will be made on a non-discriminatory basis, however, Non-Firm Point-To-Point Transmission Service shall be subordinate to 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 Curtailements.

#### **14.7 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. Points of Receipt and corresponding capacity reservations shall be as mutually agreed upon by Parties for Firm Transmission. Points of Delivery and corresponding capacity reservations shall be as mutually agreed upon by the Parties for 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 22.3. The Transmission Provider specifies in Schedule 10 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.

#### **14.8 Scheduling of Firm Point-To-Point Transmission Service:**

Schedules for the Transmission Customer's daily Firm Point-To-Point Transmission Service must be submitted to the Transmission Provider no later than 10:00 a.m. [or a reasonable time that is generally accepted in the region and is consistently adhered to by the Transmission Provider] of the prescheduled day prior to commencement of such service. Schedules submitted after 10:00 a.m. will be accommodated, if practicable. Hour-to-hour schedules of any capacity and hour-to-hour and intra-hour (four intervals consisting of fifteen (15) minutes) energy schedules that are to be delivered must be stated in increments of 1,000 KW per hour [or a reasonable increment that is generally accepted in the region and is consistently adhered to by the Transmission Provider]. Transmission Customers within the Transmission Provider's service area with multiple requests for Transmission Service at a Point of Receipt, each of which is less than 1,000 KW per hour, may consolidate their service requests at a common point of receipt into units of 1,000 KW per hour for scheduling and billing purposes. Scheduling changes will be permitted up to twenty (20) minutes [or a reasonable time that is generally accepted in the region and is consistently adhered to by the Transmission Provider] before the start of the next 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. 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.

### **15. Nature of Non-Firm Point-To-Point Transmission Service**

#### **15.1 Term:**

The minimum term for Non-Firm Point-To-Point Transmission Service shall be one (1) ~~(4)~~ hour, with daily, weekly, and monthly product options offered by the Transmission Provider. The maximum term in which a Transmission Customer may acquire Non-Firm service under this tariff is the annual product, which shall not be less than nor exceed, a one-year term.

**15.2 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 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 reservation 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 in Section 15.6) for Non-Firm Point-To-Point Transmission Service other than hourly transactions after notification by the Transmission Provider. 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.

**15.3 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 from ATC under agreements executed on or after the effective date of this Tariff. 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.

**15.4 Service Agreements:**

The Transmission Provider shall offer a standard form Non-Firm Point-To-Point Transmission Service Agreement (Attachment B) to an Eligible Customer when it first submits a Completed Application for Non-Firm Point-To-Point Transmission Service pursuant to the Tariff.

**15.5 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 specifies in

Schedule 10 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.

#### **15.6 Scheduling of Non-Firm Point-To-Point Transmission Service:**

Schedules for Non-Firm Point-To-Point Transmission Service must be submitted to the Transmission Provider no later than 2:00 p.m. [or a reasonable time that is generally accepted in the region and is consistently adhered to by the Transmission Provider] of the prescheduled day prior to commencement of such service. Schedules submitted after 2:00 p.m. will be accommodated, if practicable. Hour-to-hour schedules of any capacity and hour-to-hour and intra-hour (four intervals consisting of fifteen (15) minutes) energy schedules that are to be delivered must be stated in increments of 1,000 KW per hour [or a reasonable increment that is generally accepted in the region and is consistently adhered to by the Transmission Provider]. Transmission Customers within the Transmission Provider's service area with multiple requests for Transmission Service at a Point of Receipt, each of which is less than 1,000 KW per hour, may consolidate their schedules at a common Point of Receipt into units of 1,000 KW per hour. Scheduling changes will be permitted up to twenty (20) minutes [or a reasonable time that is generally accepted in the region and is consistently adhered to by the Transmission Provider] before the start of the next 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. 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.

#### **15.7 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 when directed by the Balancing Authority. 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, or (3)

a request for Non-Firm Point-To-Point Transmission Service of equal duration with a higher price. 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). 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.

## **16. Service Availability**

### **16.1 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 17.

### **16.2 Determination of Available Transfer Capability:**

A description of the Transmission Provider's specific methodology for assessing ATC 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.

### **16.3 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, upon written request from the Transmission Customer, the Transmission Provider and the Transmission Customer shall submit the disputed terms and conditions to dispute resolution procedures pursuant to Section 12. The written request from the Transmission Customer shall specify which terms of the Service Agreement are acceptable and which terms are not acceptable. The Transmission Provider shall commence providing Transmission Service under an unexecuted Point-To-Point Service Agreement containing terms and

conditions deemed appropriate by the Transmission Provider for such requested Transmission Service, subject to the Transmission Customer agreeing to (i) compensate the Transmission Provider under the rates and terms ultimately determined to be just and reasonable by the outcome of Section 12, and (ii) comply with the terms and conditions of this Tariff including posting appropriate security deposits in accordance with the terms of Section 18.5.

**16.4 Obligation to Provide Transmission Service that Requires Expansion or Modification of the Transmission System:**

(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, except to the extent limited by Section 5, will use due diligence to expand or modify its Transmission System to provide the requested Firm Transmission Service, provided the Transmission Customer agrees to compensate the Transmission Provider for such costs pursuant to the terms of Section 28 consistent with its planning obligations in Attachment G. The Transmission Provider will conform to Good Utility Practice and its planning obligations in Attachment G 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 shall not unreasonably deny self-provided redispatch or redispatch arranged by the Transmission Customer from a third-party resource.

**16.5 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.

**16.6 Other Transmission Service Schedules:**

Eligible Customers receiving transmission service under other agreements may continue to receive transmission service under those agreements until such time as those agreements may be modified by mutual agreement of the Transmission Provider and the Eligible Customer or expire.

**16.7 Real Power Losses:**

Real power losses are associated with all transmission service. The Transmission Provider is not obligated to provide real power losses. The Transmission Customer is responsible to compensate for losses associated with all transmission service as

calculated by the Transmission Provider. The applicable real power loss factor shall be specified on the Transmission Provider's OASIS.

## 17. Transmission Customer Responsibilities

### 17.1 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:

- The Transmission Customer has a pending Completed Application for service.
- The Transmission Customer meets the creditworthiness criteria set forth in Section 11.
- The Transmission Customer will have arrangements in place for any other transmission service necessary to affect the delivery from the generating source to the Transmission Provider prior to the time service under Part II of the Tariff commences.
- 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.
- The Transmission Customer provides the information required by the Transmission Provider's planning process established in Attachment G; and
- The Transmission Customer has executed a Point-To-Point Service Agreement or has agreed to receive service pursuant to Section 16.3.

### 17.2 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.

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

### 18.1 Application:

All requests for Firm Point-To-Point Transmission Service should be submitted to the Transmission Provider using the application form found on the Transmission Provider's OASIS website.

### 18.2 Completed Application:

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

- i. The identity, address, telephone number and facsimile number of the entity requesting service;
- 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 transmission capacity requested for each Point of Receipt and each Point of Delivery on the Transmission Provider's Transmission System; customers may combine their requests for service in order to satisfy the minimum transmission capacity requirement;
- ix. A statement indicating that, if the Eligible Customer submits a Pre-Confirmed Application, the Eligible Customer will execute a Service Agreement upon receipt of notification that the Transmission Provider can provide the requested Transmission Service; and
- x. Any additional information required by the Transmission Provider's planning process established in Attachment G.

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

**18.3 Reservation of Firm Point-To-Point Transmission Service:**

Requests for Firm Point-To-Point Transmission Service shall be submitted to the Transmission Provider no earlier and no later than the time periods specified in the Transmission Provider's Standard Business Practice as posted on the Transmission Provider's OASIS. Requests for Firm Point-To-Point Transmission Service received outside the Transmission Provider's designated time periods will be accommodated if practicable.

**18.4 Determination of Available Transfer Capability:**

Following receipt of a tendered schedule the Transmission Provider will decide on a non-discriminatory basis of ATC pursuant to Section 16.2. Such determination shall be made as soon as reasonably practicable after receipt, but not later than the time periods specified in the Transmission Provider's Standard Business Practice as posted on the Transmission Provider's OASIS.

**18.5 Deposit:**

If requested by Transmission Provider, a Completed Application for Firm Point-To-Point Transmission Service shall include a deposit or other credit support if the Transmission Customer has not otherwise been provided credit pursuant to Attachment H. Such deposit, if required, will be either: 1) two month's charge for Monthly Reserved Capacity, or 2) 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, if provided, shall be returned 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 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, 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 20. If a Service Agreement for Firm Point-To-Point Transmission Service is executed, the deposit, if

provided, will be returned to the Transmission Customer upon expiration of the Service Agreement for Firm Point-To-Point Transmission Service.

**18.6 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~~ less reasonable costs incurred by the Transmission Provider. 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.

**18.7 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 ATC as required in Section 16.2. 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 20.1.

**18.8 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 20 will govern the execution of a Service Agreement. Failure of an Eligible Customer to execute and return the Service Agreement or to submit a written request for dispute resolution procedures pursuant to Section 16.3, 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, less reasonable costs incurred by the Transmission Provider. Nothing herein limits the right of an Eligible Customer to file another Application after such withdrawal and termination.

**18.9 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 fifteen (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.

## 19. Procedures for Arranging Non-Firm Point-To-Point Transmission Service

### 19.1 Application:

All requests for Non-Firm Point-To-Point Transmission Service should be submitted to the Transmission Provider using the application form found on the Transmission Provider's OASIS website.

### 19.2 Completed Application:

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

- i. The identity, address, telephone number and facsimile number of the entity requesting service;
- 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.

~~vi.~~ 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:

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

~~viii-vii.~~ The electrical location of the ultimate load.

~~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.

~~ix.~~ \_\_\_\_\_

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.

**19.3 Reservation of Non-Firm Point-To-Point Transmission Service:**

Requests for Non-Firm Point-To-Point Transmission Service shall be submitted to the Transmission Provider no earlier and no later than the time periods specified in the Transmission Provider's Standard Business Practice as posted on the Transmission Provider's OASIS. Requests for Non-Firm Point-To-Point Transmission Service received outside the Transmission Provider's designated time periods will be accommodated if practicable.

**19.4 Determination of Available Transfer Capability:**

Following receipt of a tendered schedule the Transmission Provider will make a determination on a non-discriminatory basis of ATC pursuant to Section 16.2. Such determination shall be made as soon as reasonably practicable after receipt, but not later than the time periods specified in the Transmission Provider's Standard Business Practice as posted on the Transmission Provider's OASIS.

**19.5 Deposit:**

If requested by Transmission Provider, a Completed Application for Non-Firm Point-To-Point Transmission Service shall include a deposit or other credit support if the Transmission Customer has not otherwise been provided credit pursuant to Attachment H. Such deposit, if required, will be either 1) two (2) month's charge for Monthly Non-Firm Transmission Service, or 2) the full charge for Reserved Non-Firm Transmission Service for service requests of less than one month.

**20. Additional Study Procedures for Firm Point-To-Point Transmission Service Requests**

**20.1 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. 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 with the required deposit 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 18.5, shall be returned with Interest, [less reasonable costs incurred by the Transmission Provider](#).

### **20.2 System Impact Study Agreement and Cost Reimbursement:**

The System Impact Study Agreement will clearly specify the maximum charge, based on 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.

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.

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 21.

### **20.3 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 flow gate, and 2) additional Direct Assignment Facilities or Network Upgrades required to provide the requested service. 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, excluding proprietary information, 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 Transmission Provider to proceed with an unexecuted Service Agreement pursuant to Section 16.3, or the Application shall be deemed terminated and withdrawn.

#### **20.4 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 18.5, shall be returned with Interest less reasonable costs incurred by the Transmission Provider (including less the cost of the system impact study). 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 that Transmission Provider proceed with an unexecuted Service Agreement pursuant to Section 16.3 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.

**20.5 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.

**20.6 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 or would jeopardize the tax-exempt status of any tax-exempt debt used to finance the Transmission Provider's facilities that would be used to provide Transmission Service.

**20.7 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. 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.

**20.8 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.

#### **20.9 Failure to Meet Study Deadlines:**

Sections 20.3 and 20.4 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 post on its OASIS or website a notice 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 sixty (60)-day study completion deadlines. Such notice must be posted 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 sixty (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 shall provide an explanation on its OASIS if it believes there are extenuating circumstances that prevented it from meeting the sixty (60)-day study completion deadlines.

## **21. Procedures if the Transmission Provider is Unable to Complete New Transmission Facilities for Firm Point-To-Point Transmission Service**

### **21.1 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, but excluding proprietary information.

**21.2 Alternatives to the Original Facility Additions:**

When the review process of Section 21.1 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.

**21.3 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 35.19a(a)(2)(iii). However, the Transmission Customer shall be responsible for all incurred costs by the Transmission Provider through the time construction was suspended.

**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.

~~(e)~~(b) 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)~~(c) 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 18 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.

### **III. Other Specific Service Provisions**

#### **Preamble**

The remaining sections of this Tariff outline other specific service provisions in providing Firm and Non-Firm Point-To-Point Transmission Service.

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

##### **23.1 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 related information or data, excluding proprietary information, required by such other electric system pursuant to Good Utility Practice. All costs incurred by the Transmission Provider under this Section shall be fully reimbursed by the Transmission Customer.

**23.2 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.

**24. Sale or Assignment of Transmission Service****24.1 Procedures for Assignment or Transfer of Service:**

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. 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 Reseller may not assign or transfer any service to an assignee, if such assignment or transfer would jeopardize the tax-exempt status of any bonds used to finance its facilities that would be used in providing such transmission service without first receiving approval from the Transmission Provider. The Transmission provider is not obligated to provide transmission service to the assignee if such service would jeopardize the tax-exempt status of any such bonds. 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 14.2.

**24.2 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.

**24.3 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 24.1. Resellers may also use the Transmission Provider's OASIS to post transmission capacity for resale.

**25. Metering and Power Factor Correction at Receipt and Delivery Points(s)****25.1 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.

**25.2 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.

**25.3 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.

**26. 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 from ATC. The Transmission Provider shall account for such use at the applicable Tariff rates, pursuant to Section 8.

**27. 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 proposed stranded cost recovery shall be subject to dispute resolution procedures of this Tariff.

**28. Compensation for New Facilities**

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 in advance of construction.

**29. Jurisdiction Not Conferred**

By offering service under this Tariff, TANC does not accede to the imposition of Federal Power Act jurisdiction or the regulations or requirements there under, over the transmission rates, terms, and conditions of TANC or its Participating Members.

**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 Balancing Authority Area. Scheduling, System Control and Dispatch Service is to be provided by the Transmission Provider making arrangements with the Balancing Authority that performs this service for the Transmission Provider's Transmission System. The Transmission Customer must purchase this service from the Transmission Provider or the Balancing Authority.

The charges for Scheduling, System Control and Dispatch Service are to be based on the cost to the Transmission Provider of providing such service. To the extent the Balancing Authority 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 Balancing Authority.

<u>Increment</u>	<u>Rates</u>	<u>Price/Units</u>
Hourly	\$1.0434	\$/MW-Hour
Daily	\$16.69	\$/MW-Day
Weekly	\$83.47	\$/MW-Week
Monthly	\$361.72	\$/MW-Month
Annual	\$4,340.62	\$/MW-Year

**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 in the Balancing Authority Area where the Transmission Provider's transmission facilities are located are operated to produce (or absorb) reactive power. Thus, Reactive Supply and Voltage Control from generation or other sources 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 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 is to be provided by the Transmission Provider making arrangements with the Balancing Authority that performs this service for the Transmission Provider's Transmission System. The Transmission Customer must purchase this service from the Transmission Provider or the Balancing Authority.

The charges for such service will be based on the cost to the Transmission Provider of providing such service. To the extent the Balancing Authority 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 Balancing Authority. However, such rates shall not include any charges associated with the compensation to a generating facility for the supply of reactive power within the power factor range specified in its interconnection agreement.

<b><u>Increment</u></b>	<b><u>Rates</u></b>	<b><u>Price/Units</u></b>
Hourly	\$0.2319	\$/MW-Hour
Daily	\$3.71	\$/MW-Day
Weekly	\$18.55	\$/MW-Week
Monthly	\$80.38	\$/MW-Month
Annual	\$964.52	\$/MW-Year

**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 Balancing Authority 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 the Balancing Authority Area in which its Transmission System resides. 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 as required by the Balancing Authority Area.

TANC is unable to provide Regulation and Frequency Response Service itself. To the extent the Balancing Authority 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 Balancing Authority.

**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 Balancing Authority Area over a single hour.

The Transmission Provider must offer this service when the transmission service is used to serve load within the Balancing Authority Area in which its Transmission System resides. 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.

TANC is unable to provide Energy Imbalance Service itself. To the extent the Balancing Authority 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 Balancing Authority. The Transmission Provider may charge a Transmission Customer a penalty for either hourly energy imbalances under this Schedule or a penalty for hourly generator imbalances under Schedule 9 for imbalances occurring during the same hour, but not both unless the imbalances aggravate rather than offset each other.

**SCHEDULE 5**

**Operating Reserve - Spinning Reserve Service**

Spinning Reserve Service is needed to serve load immediately in the event of a system contingency. Spinning Reserve Service may be provided by generating units that are on-line and loaded at less than maximum output and by non-generation resources capable of providing this service.

The Transmission Provider must offer this service when the transmission service is used to serve load within the Balancing Authority Area in which its Transmission System resides. The Transmission Customer must either purchase this service from the Transmission Provider or make alternative comparable arrangements to satisfy its Spinning Reserve Service obligation.

TANC is unable to provide Spinning Reserve Service itself. To the extent the Balancing Authority 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 Balancing Authority.

**SCHEDULE 6**

**Operating Reserve - Supplemental Reserve Service**

Supplemental Reserve Service is needed to serve load in the event of a system contingency; however, it is not available immediately to serve load but rather within a short period of time. Supplemental Reserve Service may be provided by generation 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 the Balancing Authority Area in which its Transmission System resides. The Transmission Customer must either purchase this service from the Transmission Provider or make alternative comparable arrangements to satisfy its Supplemental Reserve Service obligation.

TANC is unable to provide Supplemental Reserve Service itself. To the extent the Balancing Authority 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 Balancing Authority.

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

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

FY265 Rates

- |                      |                                     |
|----------------------|-------------------------------------|
| 1) Annual delivery:  | \$ <del>38.8542</del> <u>02</u> /kW |
| 2) Monthly delivery: | \$ <del>3.5024</del> /kW            |
| 3) Weekly delivery:  | \$ <del>0.80857470</del> /kW        |
| 4) Daily delivery:   | \$ <del>0.44941617</del> /kW        |
- 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 the same path.
- 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 24.1 of the Tariff.

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

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

FY265 Rates

- |                      |                                  |
|----------------------|----------------------------------|
| 1) Annual delivery:  | <del>\$42,0438.85</del> /kW      |
| 2) Monthly delivery: | <del>\$3,243.50</del> /kW        |
| 3) Weekly delivery:  | <del>\$0.74790.8085</del> /kW    |
| 4) Daily delivery:   | <del>\$0.14940.1617</del> /kW    |
| 5) Hourly delivery:  | <del>\$12.450313.4553</del> /MWh |
- 6) 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 the same path.
- 7) 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 24.1 of the Tariff.

**SCHEDULE 9****Generator Imbalance Service**

Generator Imbalance Service is provided when a difference occurs between the output of a generator located in the Balancing Authority Area in which the Transmission Provider's Transmission System is located and a delivery schedule from that generator to: 1) another Balancing Authority or 2) a load within the Balancing Authority Area in which the Transmission Provider's Transmission System is located over a single hour. The Transmission Provider is unable to provide generator imbalance service. The Transmission Customer must make alternative arrangements, which may include use of non-generation resources capable of providing this service, to satisfy its Generator Imbalance Service obligation. The Transmission Provider may charge a Transmission Customer a penalty for either hourly generator imbalances under this Schedule or a penalty for hourly energy imbalances under Schedule 4 for imbalances occurring during the same hour, but not both unless the imbalances aggravate rather than offset each other. Any such penalty shall reflect only a pass through of the costs charged to the Transmission Provider by the Balancing Authority.

**SCHEDULE 10****Unreserved Use of Transmission Service**

The Transmission Provider will impose an unreserved use charge and penalty in any circumstance where the Transmission Provider detects that an Eligible Customer or Transmission Customer has used transmission service that it has not reserved, including instances where transmission was used in excess of the quantity reserved (“Unreserved Use”). For the purpose of assessing charges and penalties under this Schedule 10 such Eligible Customer or Transmission Customer that has not executed a Service Agreement for the Unreserved Use will be deemed to have executed the appropriate Service Agreement attached to this Tariff.

The penalty charge for Unreserved Use shall be based on a rate equal to 200% of the applicable rate for Firm Point-to-Point Transmission Service as set forth in Schedule 7 (i.e., Daily, Weekly, Monthly, Annual). This penalty charge will apply for Unreserved Use of either Firm or Non-Firm Point-to-Point Transmission Service. The penalty charge will be based on the period of Unreserved Use, subject to the following principles:

- (1) The penalty for Unreserved Use during a single hour will be based on the rate for Daily Firm Point-to-Point Transmission Service.
- (2) The penalty for more than one assessment for a given duration (e.g., Daily) will increase the penalty period to the next longest duration (e.g., Weekly).
- (3) The penalty for multiple instances of Unreserved Use (i.e., more than one hour) within a day will be based on the rate for Daily Firm Point-to-Point Transmission Service.
- (4) The penalty for Unreserved Use on multiple days during one calendar week shall result in a penalty based on the charge for Weekly Firm Point-to-Point Transmission Service.
- (5) The penalty for Unreserved Use on multiple days during more than one week during a calendar month will be based on the charge for Monthly Firm Point-to-Point Transmission Service.
- (6) Ancillary service charges associated with the Unreserved Use will be based on the actual period of Unreserved Use.

**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 TANC, and \_\_\_\_\_(Transmission Customer).
- 2.0 The Transmission Customer has been determined by TANC to have a Completed Application for Firm Point-To-Point Transmission Service under the Tariff.
- 3.0 The Transmission Customer has provided TANC an Application deposit in accordance with the provisions of Section 18.5 of the Tariff.
- 4.0 Service under this agreement shall commence on the later of 1) \_\_\_\_\_, or 2) the date on which construction of any Direct Assignment Facilities are completed, or 3) such other date as is mutually agreed upon. Service under this agreement shall terminate subject to Section 13 of this Tariff.
- 5.0 TANC 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 the Transmission Agency of Northern California Pro Forma Open Access Tariff (Tariff) ~~as filed with the Western Electricity Coordinating Council~~ and this Service Agreement. TANC's obligation to provide service is subject to the release of Available Transfer Capability by TANC's Participating Members.
- 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.

TANC OATT Manager  
P. O. Box 15129  
Sacramento, CA 95851-0129

Transmission Customer:  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

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

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

TANC

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

Transmission Customer:

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

**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 TANC, and \_\_\_\_\_ (Transmission Customer).
- 2.0 The Transmission Customer has been determined by TANC to be a Transmission Customer under the Tariff and has filed a Completed Application for Non-Firm Point-To-Point Transmission Service in accordance with Section 19.2 of the Tariff.
- 3.0 The Transmission Customer has provided TANC an Application deposit in accordance with the provisions of Section 19.5 of the Tariff.
- 4.0 Service under this agreement shall commence on the later of 1) \_\_\_\_\_, or 2) such other date as is mutually agreed upon. Service under this agreement shall terminate subject to Section 13 of this Tariff.
- 5.0 The Transmission Customer agrees to supply information the TANC deems reasonably necessary in accordance with Good Utility Practice in order for it to provide the requested service.
- 6.0 TANC 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 the Transmission Agency of Northern California Pro Forma Open Access Tariff (Tariff) ~~as filed with the Western Electricity Coordinating Council~~ and this Service Agreement. TANC's obligation to provide service is subject to the release of Available Transfer Capability by TANC's Participating Members.
- 7.0 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.

TANC OATT Manager  
 P. O. Box 15129  
 Sacramento, CA 95851-0129

Transmission Customer:

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

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

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

TANC

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

Transmission Customer:

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

**ATTACHMENT C****Methodology to Assess Available Transfer Capability**

This Attachment C addresses TANC's methodology to assess Available Transfer Capability (ATC) of the Transmission System. TANC posts its Available Transfer Capability Implementation Document on its OASIS.

**Total Transfer Capability**

The values for Total Transfer Capability (TTC) on the California Oregon Intertie (COI) are determined by the Transmission Operators of COI facilities – the Bonneville Power Administration (BPA) for import to and export from the Northwest power system at COI, and the California Independent System Operator (CAISO) for imports into and exports from the California power system at COI. TANC understands that BPA and the CAISO will determine TTC/Transmission Reliability Margin (TRM) values for ATC posting periods using a transmission system analysis process that incorporates the data and process requirements set forth in the applicable requirements of the North American Energy Standards Board (NAESB) Wholesale Electric Quadrant business practice standard 023 (WEQ-023). The owners of the COI facilities located in California have established their relationship with the CAISO in the COI Path Operating Agreement. The TTC of COI was established at 4,800 MW North to South and 3,675 MW South to North based on studies coordinated within the WSCC planning process in the 1990's as the California-Oregon Transmission Project (COTP) was in the planning and development process. The COTP went in service on March 17, 1993 at 4,000 MW pending the completion of facilities in the Pacific Northwest. Once those additions became operational, the COI TTC of 4,800 MW North to South and 3,675 MW South to North were implemented. In October 2024, the COI was granted an increased rating from 4,800 MW to 5,100 MW in the North to South direction – which equates to an increased rating of the COTP to 1,700 MW and the PACI to 3,400 MW. The effective date of the new 5,100 MW COI rating is April 1, 2025.

The COI ATC Path is not limited by contract. That ATC Path rating was established, known and in use prior to January 1, 1994 and TANC has taken no action to have the path rated using a different method. TTC values do vary from time-to-time as a result of operating conditions during the course of the year. On behalf of TANC, SMUD, as the Balancing Authority of Northern California (BANC) Operator for the BANC BA, in which the COTP is located, allocates COI Available System Capability (ASC) and Available System Transfer Capability (ASTC) among COTP participants, including TANC, after receiving an allocation from the CAISO as the COI Path Operator.

**Firm ETC\***

In calculating ETC for firm Existing Transmission Commitments (ETC<sub>F</sub>) for a specified period for an ATC Path, TANC will 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. TANC has fully allocated its Native Load service obligation to its Participating Members, therefore, this value will be zero.

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. Until such time as TANC offers service through a NITS tariff, this value will be zero.

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 TANC's Open Access Transmission Tariff. Values for grandfathered capacity will be provided by TANC P.A. 5 Members and aggregated by TANC's OASIS Administrator for capacity set-aside in calculating ATC.

PTP<sub>F</sub> is the firm capacity reserved for confirmed Point-to-Point Transmission Service. This value will be determined by TANC's host software program after aggregation of monthly schedules reflecting values that TANC P.A. 5 Members submit to TANC's OASIS Administrator.

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. This value will be zero until such time that TANC has transmission service customers and agreements that are eligible for Roll-Over rights.

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.

**Non-Firm ETC\***

In calculating ETC for non-firm Existing Transmission Commitments (ETC<sub>NF</sub>) for all time horizons for an ATC Path, TANC will use the following algorithm:

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

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. Until such time as TANC offers service through a NITS tariff, this value will be zero.

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 TANC's Open Access Transmission Tariff. No customers have non-firm grandfathered transmission rights using the COTP Path, so this value will be zero.

PTP<sub>NF</sub> is non-firm capacity reserved for confirmed Point-to-Point Transmission Service. This value will be determined by TANC's host software program after aggregation of monthly schedules reflecting values that TANC P.A. 5 Members submit to TANC's OASIS Administrator.

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.

**Firm ATC**

In calculating firm ATC for an ATC Path for a specified period, TANC will use the following algorithm:

$$ATC_F = TTC - ETC_F - CBM - TRM + Postbacks_{SF} + counterflows_{SF}$$

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. TTC will be as specified in this Attachment C.

ETC<sub>F</sub> is the sum of existing firm commitments for the ATC Path during that period. ETC<sub>F</sub> will be determined as specified in this Attachment C.

CBM is the Capacity Benefit Margin for the ATC Path during that period. For the reasons stated in Attachment C, below, no CBM values have been established by TANC, so this value will be zero.

TRM is the Transmission Reliability Margin for the ATC Path during that period. No TRM values have been established by the transmission operators for the ATC Path, so this term will be zero.

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 TANC's Standard Business Practices.

Counterflows<sub>F</sub> are adjustments to firm Available Transfer Capability as determined by TANC and specified in its ATCID.

#### Accounting for Counterflows

TANC's firm and non-firm ATC calculations for COTP imports and exports do not include any adjustment for counterflows associated with confirmed transmission reservations, expected interchange and internal counterflow. The Amended COTP Operations Agreement between SMUD and TANC requires that schedules be limited to no more than ASC. The Second Amended Owners Coordinated Operations Agreement, § 11.1.2.1, provides that unscheduled flow may be deducted from the transfer limit only in real-time. Taken together, these provisions preclude making adjustment to scheduling capability in order to increase capability in one direction in reliance on flows or schedules in the other direction.

#### **Non-Firm ATC**

In calculating non-firm ATC for an ATC Path for a specified period, TANC will use the following algorithm:

$$ATC_{NF} = TTC - ETC_F - ETC_{NF} - CBM_S - TRM_U + Postback_{S_{NF}} + counterflow_{S_{NF}}$$

#### Where:

$ATC_{NF}$  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. TTC will be as specified in this Attachment C.

$ETC_F$  is the sum of existing firm commitments for the ATC Path during that period.  $ETC_F$  will be determined as specified in this Attachment C.

$ETC_{NF}$  is the sum of existing non-firm commitments for the ATC Path during that period.  $ETC_{NF}$  will be determined as specified in this Attachment C.

CBM<sub>s</sub> is the Capacity Benefit Margin for the ATC Path that has been scheduled during that period. For the reasons stated in Attachment C, below, no CBM<sub>s</sub> values have been established by TANC, so this term will be zero.

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 TANC during that period. No TRM<sub>U</sub> values have been established by the Transmission Operators for the ATC Path, so this term will be zero.

Postbacks<sub>SNF</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 TANC's Standard Business Practices.

Counterflows<sub>SNF</sub> are adjustments to non-firm Available Transfer Capability as determined by TANC and specified in its ATCID.

#### Accounting for Counterflows

The statement made for Firm ATC regarding counterflows similarly applies to Non-Firm ATC.

#### **TRM**

The Transmission Operator does not set aside transfer capability for TRM.

#### **CBM**

The Transmission Service Provider has determined not to set aside transfer capability for CBM.

\* Firm and Non-Firm ETC, determined by each of the Participating Members, are aggregated by the TANC OASIS Administrator. The aggregated values are posted for TANC by the TANC OASIS Administrator.

**ATTACHMENT D**

**Methodology for Completing a System Impact Study**

After receiving request, TANC shall determine on a non-discriminatory basis whether a system impact study is needed for providing the requested service. TANC will perform all studies related to Transmission Service requests as it performs transmission studies for its own use of the system. TANC will assess the capability of the Transmission System to provide the service requested using WECC reliability criteria.

**ATTACHMENT E**

**Index of Point-to-Point Transmission Service Customers**

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

**ATTACHMENT F**

Procedures to Address Parallel Flows

Procedures for Addressing Parallel or Unscheduled Flows for TANC's Transmission System are defined in the California-Oregon Intertie Path Operating Agreement Among Southern California Edison Company, Pacific Gas and Electric Company, San Diego Gas & Electric Company, Participants in the California-Oregon Transmission Project, Western Area Power Administration, And California Independent System Operator (Original Rate Schedule FERC No. 50). Pursuant to that agreement, Operating Procedures for Unscheduled Flow shall require that Unscheduled Flow be deducted from Operational Transfer Capability Limit and Available System Transfer Capability only on a real-time basis, or for the hour ahead pre-scheduling period. California-Oregon Intertie Operating Procedures shall be consistent with the WECC Unscheduled Flow Mitigation Plan.

**ATTACHMENT G****Transmission Planning Process****I. Overview of the Transmission Agency of Northern California (TANC) Transmission Planning Process**

The Transmission Agency of Northern California (TANC) is a joint exercise of powers agency that, among other things, provides electric transmission facilities and services to its Members: the California cities of Alameda, Biggs, Gridley, Healdsburg, Lodi, Lompoc, Palo Alto, Redding, Roseville, Santa Clara, and Ukiah; the Sacramento Municipal Utility District; the Modesto Irrigation District; and the Turlock Irrigation District. The Plumas-Sierra Rural Electric Cooperative is an associate member of TANC. TANC provides a forum for its members and other interested parties to plan and develop transmission that will be beneficial to the participants. TANC's transmission system consists of an ownership share of the California-Oregon Transmission Project (COTP), a 500-kV transmission facility extending from the California-Oregon border to near Pacific Gas and Electric Company's Tesla Substation in Central California. TANC, which is governed by its Commission comprised of Member representatives, provides electric transmission and related reliability services pursuant to state and federal law and its own governing authority. TANC's transmission planning process is based on the following three core objectives:

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

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

TANC plans its transmission system in accordance with the North American Electric Reliability Corporation (NERC) and WECC Planning Reliability Standards, which treats all transmission customers on a comparable and non-discriminatory basis. The TANC transmission planning process includes a series of open planning meetings conducted by TANC standing committees to allow anyone, including, but not limited to, transmission customers, sponsors of transmission solutions, generation solutions and solutions utilizing

demand response resources, interconnected neighbors, regulatory and state bodies and other stakeholders to provide input into and comment on the TANC transmission plan through all stages of development. TANC committee meeting notices and approved minutes will be made available to the public on the TANC website ([www.tanc.us](http://www.tanc.us)). Potential study participants and / or customers are able to attend and participate in those meetings. Progress on ongoing studies or evaluations is discussed at the meetings as posted on the agenda. Time is allotted for public input at each meeting. Should one have additional questions, they have the ability to contact the appropriate committee chairperson (or designee) and request that topics be placed on a future agenda.

In addition to its local transmission planning process, TANC coordinates its transmission planning with other transmission providers and stakeholders in Northern California and the Western Interconnection as a whole, through its participation in WestConnect's Sierra Subregional Planning Group ("SSPG"), participation in the California Transmission Planning Group, its membership in WestConnect<sup>1</sup>, membership in the Western Electricity Coordinating Council ("WECC"), and participation in the WECC Transmission Expansion Planning Policy Committee ("TEPPC") and its Technical Advisory Subcommittee ("TAS").

Three subregional planning groups operate within the WestConnect footprint: the Southwest Area Transmission Planning Group ("SWAT"), the Colorado Coordinated Planning Group ("CCPG") and the Sierra Subregional Planning Group ("SSPG"). WestConnect's planning effort, which includes funding and provision of planning management, analysis, report writing and communication services, supports and manages the coordination of the subregional planning groups and their respective studies. Such responsibilities are detailed in the WestConnect Project Agreement for Subregional Transmission Planning ("WestConnect STP Project Agreement"), dated May 23, 2007 (see TANC Attachment G Hyperlinks List, [<http://www.oatiaoasis.com/tanc/index.html>]). TANC is a signatory to this Agreement.

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

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

for the entire Western Interconnection and performs annual congestion studies at the Western Interconnection region level.

## **II. TANC Transmission Planning**

### **A. TANC Planning Process**

TANC's transmission system consists of a 500 kV transmission facility extending from the California-Oregon border to near Pacific Gas and Electric Company's Tesla Substation in Central California. TANC provides short term point-to-point transmission service under its Open Access Transmission Tariff ("OATT"). TANC has no long-term point-to-point transmission customers. Similarly, due to the nature of its transmission system, TANC does not provide network transmission service. No generators are interconnected with TANC's transmission system. Potential customers that wish to interconnect with the TANC transmission system may apply for interconnection under TANC's OATT.

TANC, as a public agency, will continue to participate in transmission project evaluations and planning efforts at the direction of its members through their TANC Commission representatives. All TANC Commission and standing committee meetings are open meetings in accordance with California Law. It is at these meetings that potential projects may be discussed and ultimately it is at these meetings where authorization for projects is considered and decided. Advance copies of agendas and approved minutes of these meetings are available to the public.

For localized transmission planning efforts, TANC conducts its own internal planning process and also participates in joint planning activities with its interconnected neighbors. Such planning activities may be initiated by TANC but that is not always the case. In these efforts, TANC helps organize the efforts but actual study work is often done by the active participants. TANC will make such efforts open to active stakeholders who are willing to participate in the study efforts.

For regional and inter-regional efforts, TANC follows the practices of the WECC/TEPPC, which facilitates coordinated planning by Transmission Providers and stakeholders in the WECC region. Regional projects affect many through the industry and the WECC process allows all affected parties an opportunity to participate. If a proposed transmission project impacts neighboring systems within California, TANC will coordinate with the appropriate local, sub-regional group and follow the WECC Regional Planning process.

TANC is a project-based agency; no single member, nor TANC as a whole is obligated to conduct a study for another entity unless requested through the OATT. However, TANC will make its transmission data available, including the underlying data, assumptions, criteria, and underlying transmission plans used in the study process, to other interested parties on reasonable terms so that they can conduct their own studies. TANC will also conduct

economic studies that it determines are high priority, as described in Section II.A.7. Similarly, TANC will afford parties the opportunity to propose studies and/or projects in which TANC as a whole or its individual members may have an interest.

Upon review of a project, TANC members and individual study participants will determine whether they are interested in participating in the project. TANC may suggest criteria, but it is the participant who ultimately makes the decision to participate or not based on the participant's own economic criteria. As the need arises, TANC may request information from participants, information regarding participant loads, resources, demand resource information, customer's projections of future needs, and related subjects.

Costs of a project will be allocated based on an agreement formed to finance and pay for a particular project or series of projects. TANC will provide parties an opportunity to participate in projects during the study phase of a project or later to the extent the capacity of a project is not fully committed. To the extent that a project is associated with a transmission service request, the customer seeking transmission service from TANC will compensate TANC for such expansion or modification of TANC's transmission system in accordance with the Tariff.

#### 1. Open Participation

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

#### 2. Confidential or Proprietary Information

TANC's transmission planning studies may include base case data that are WECC proprietary data or classified as Critical Energy Infrastructure Information (CEII) by the Federal Energy Regulatory Commission (FERC). A stakeholder must hold membership in or execute a confidentiality agreement with WECC (see TANC Attachment G Hyperlinks List, [[Http://www.oatioasis.com/tanc/index.html](http://www.oatioasis.com/tanc/index.html)]) in order to obtain requested base case data from TANC. A stakeholder may obtain transmission planning information classified as CEII from TANC upon execution of a confidentiality agreement with TANC.

#### 3. TANC's Transmission Planning Process includes the following activities:

- a. Undertaking specific technical studies (powerflow, transient stability, and post-transient voltage stability) related to maintaining and increasing the rated transfer capability (RTC) and available transfer capability (ATC) of TANC's transmission system.

- b. Undertaking specific technical studies (powerflow, transient stability, and post-transient voltage stability) related to enlarging TANC's transmission system and new interconnections with other transmission systems.
  - c. Participation in the stakeholder processes used by Pacific Gas & Electric (PG&E), Southern California Edison (SCE), and the California ISO (CAISO) in the development of the long-range transmission plans for their respective systems.
  - d. Review of the CAISO's generation interconnection process and tracking of generation projects in the CAISO's interconnection queue which could have an impact on utilization of TANC's transmission facilities.
  - e. Participation in the planning activities associated with proposed intra- and inter-regional transmission facilities.
  - f. Providing for interconnection for new generation resources.
4. Transmission Planning Cycle
- a. TANC conducts its transmission planning on a calendar year cycle for a ten year planning horizon.
  - b. TANC exchanges information on transmission plans and related data on a regular basis in accordance with the schedule for data submittal established by WECC, WestConnect and other transmission planning groups.
5. Transmission Customer's Responsibility for Providing Data
- a. Use of Customer Data. TANC uses information provided by its transmission customers to, among other things; assess transmission needs and to update regional models used to conduct planning studies.
  - b. Submission of Data by Transmission Customers. To maximize the effectiveness of the TANC planning process, it is essential that all transmission customers provide their ten year needs in the form of relevant data for inclusion in the TANC transmission planning process. This information must be submitted electronically by transmission customers to TANC at [Insert e-mail address] by March 15 of each year in order to be included in the planning process for the annual transmission plan.
  - c. Transmission Customer Data to be Submitted. To the maximum extent practical and consistent with protection of proprietary information, data

submitted by transmission customers should include for the ten year planning horizon:

- i. Generators - planned additions or upgrades (including status and expected in-service dates) and planned retirements.
    - ii. Point-to-point transmission customers – projections of need for service over the planning horizon, including transmission capacity, duration, and receipt and delivery points.
  - d. Notification of Material Changes to Transmission Customer Data. Each transmission customer is responsible for timely submittal of written notice to TANC of material changes in any of the information previously provided related to the transmission customer’s load, resources (including demand response resources), or other aspects of its facilities or operations which may, directly or indirectly, affect TANC’s ability to provide service.
6. Economic Studies
  - a. Economic planning studies are performed to identify significant and recurring congestion on the transmission system and/or address the integration of new resources and loads. Such studies may analyze any, or all, of the following: (i) the location and magnitude of the congestion, (ii) possible remedies for the elimination of the congestion, in whole or in part, including transmission solutions, generation solutions and solutions utilizing demand response resources, (iii) the associated costs of congestion, and (iv) the costs associated with relieving congestion through system enhancements (or other means), and, as appropriate, (v) the economic impacts of integrating new resources and loads. TANC may perform, or cause to be performed, economic planning studies at the request of any transmission customer or stakeholder. All economic planning studies performed, either by TANC or TEPPC, will utilize the TEPPC public data base.
7. Economic Planning Study Requests
  - a. Any TANC transmission customer or other interested stakeholder, including transmission solutions, generation solutions and solutions utilizing demand response resources (“Requester”) may submit a study request for an economic planning study directly to TANC or TEPPC. The Requester must submit its study request(s) no later than October 31 each year if Requester wants TANC to review the study request(s) with stakeholders at its 4<sup>th</sup> Quarter open public planning meeting. All requests submitted to TANC should be electronically forwarded to the TANC General Manager (gm@tanc.us). TANC will

coordinate the timing of its economic planning study cycle with the TEPPC process.

- b. All economic planning study requests, whether or not the study work is performed by TANC, will be forwarded to TEPPC for inclusion in the TEPPC master list of economic studies for the Western Interconnection. TEPPC's master list is publicly available (see TANC Attachment G Hyperlinks List, [[Http://www.oatioasis.com/tanc/index.html](http://www.oatioasis.com/tanc/index.html)]).
- c. If a Requester submits its economic planning study request directly to TANC, TANC will review the request with input from stakeholders in a public transmission meeting. Based in part on the number and type of requests received, TANC will consider whether the study is a local priority request and determine if the study should be performed by TANC or referred to a more appropriate transmission provider, or whether the study request encompasses a subregion or region, in which case TANC will transfer the request to TEPPC for consideration as a priority request to be included in TEPPC's list of economic studies to be performed by TEPPC. The criteria TEPPC utilizes to prioritize requests for regional economic studies are posted on the TEPPC page of the WECC website (see TANC Attachment G Hyperlinks List, [[Http://www.oatioasis.com/tanc/index.html](http://www.oatioasis.com/tanc/index.html)]).
- d. TEPPC will review economic planning study requests received from transmission providers, subregional transmission planning groups and Requesters during its open stakeholder meeting and, together with its stakeholders, prioritize requests for economic planning studies. Both TANC and the customer will have an opportunity to participate in the TEPPC prioritization process and provide input as to why this study should be included in the TEPPC study plan. Additionally, WestConnect will provide advice, on an as needed basis, to TEPPC regarding prioritizing regional economic planning study requests and potential clustering of requested regional economic planning studies, if those studies involve facilities in the WestConnect footprint. For more detail regarding the TEPPC economic planning study process and request prioritization criteria, see the synopsis of the TEPPC Transmission Planning Protocol at (see TANC Attachment G Hyperlinks List, [[Http://www.oatioasis.com/tanc/index.html](http://www.oatioasis.com/tanc/index.html)]).
- e. If TANC determines, using input from stakeholders obtained through the TANC public transmission meeting, that the economic planning study request is a local priority study, e.g. if the study request does not affect interconnected transmission systems and the remedies are confined to a local area that may be resolved within the local area (i.e., the Balancing Authority Area within which TANC's transmission system is located), then TANC may conduct the

study internally and coordinate assumptions and results with its customers, stakeholders and interconnected neighbors. Criteria used to determine whether a local economic planning study request is a priority request include the following:

- i. What portion of the TANC local transmission system will be under consideration in the study?
  - ii. Does the request raise fundamental design issues of interest to multiple parties?
  - iii. Does the request raise policy issues of national, regional or state interest, e.g., with respect to renewable power, and location of both conventional and renewable resources?
  - iv. Can the objectives of the study be met by other studies?
  - v. Will the study provide information of broad value to customers, regulators, transmission providers and other interested stakeholders?
  - vi. Can similar requests for studies or scenarios be represented generically if the projects are generally electrically equivalent?
  - vii. Can requests be aggregated into energy or load aggregation zones with generic transmission expansion between?
  - viii. Does the study request require the use of production cost simulation or can it be better addressed through technical studies, i.e., power flow and stability analysis?
- f. If either TANC or TEPPC determines, after reviewing through an open stakeholder process, that the request for an economic planning study is a lower priority, the Requester may request that TANC assist the Requester in having a third party perform the economic planning analysis at the Requester's expense. A Requester will have use of the TEPPC economic study data base and TANC will support the Requester in ensuring that the study is coordinated as necessary through local, subregional or regional planning groups.
- g. TANC may determine that any number of Requesters' economic planning study requests should be studied together or a Requester may request that TANC study its request together with other requests. TANC will combine such studies as it deems appropriate. If study requests are combined, the study costs will be shared among the requesters. TANC will consider the following criteria to determine whether to cluster requested priority local economic studies, both on its own volition and in response to a Requester's request:
- i. TANC-Proposed Clusters: In the event that TANC proposes to cluster certain priority local economic planning studies on any reasonable grounds, including, without limitation, upon its

- determination that the proposed cluster studies are sufficiently similar, from an electrical perspective, to be feasibly and meaningfully studied as a group, it shall provide notices to each Requester that it proposes to include in the study. Each Requester shall be provided the opportunity to opt out of the cluster within ten (10) days of notice from TANC.
- ii. Requester-Proposed Clusters: If a Requester wishes to propose a cluster study, prior to submitting an economic planning study cluster request to TANC, the Requester must contact all of the other Requesters whose requests it proposes to cluster and obtain their written consent that they are willing to have their request clustered with other identified requests. TANC will reasonably determine whether the local economic planning study requests that the Requester proposes to cluster and for which the other affected Requesters have provided consent, are sufficiently similar, from an electrical perspective, to be feasibly and meaningfully studied together. TANC reserves the right to reject a Requester-proposed cluster on any reasonable grounds, including, without limitation, upon its determination that the proposed cluster cannot be feasibly studied as a group or that the proposed clustering impairs administration or timely processing of the economic study process. TANC will make the determination whether to reject a proposed cluster, and provide notice of any decision to reject, within twenty (20) days of receipt of all of the written consents of the Requesters that propose to be clustered.
- h. TANC will identify a Point of Contact on its OASIS to respond to customer/stakeholder questions regarding modeling, criteria, assumptions, and data underlying transmission system plans. (see TANC Attachment G Hyperlinks List, [[Http://www.oatioasis.com/tanc/index.html](http://www.oatioasis.com/tanc/index.html)]).
8. TANC transmission study plans and planning results will be communicated through presentations at the meetings described in Section I above and made available upon request.
  9. Cost Responsibility for Economic Studies
    - a. Priority local economic planning studies will be performed by or through TANC. TANC will recover the costs of such studies from the Requester.
    - b. Regional studies performed by TEPPC will be paid for through WECC dues by the WECC members.

- c. Studies not characterized as priority will be performed at the Requester's expense. TANC may perform the study or work with the Requester and its third party contractor.
  - d. All costs of processing and administering study requests shall be borne by the Requester. A processing fee of \$2,500 shall be charged to the Requester for each study request.
10. Exchange of Data Unique to Economic Planning Studies
- a. TANC obtains all data used for its economic planning studies from the TEPPC data base.
  - b. Requester's request for detailed base case data must be submitted to WECC in accordance with the WECC procedures.
  - c. Requester's Request for economic planning studies and responses to such requests shall be posted on the TANC OASIS and the WestConnect website (see TANC Attachment G Hyperlinks List, [[Http://www.oatioasis.com/tanc/index.html](http://www.oatioasis.com/tanc/index.html)]), subject to confidentiality requirements.

11. TANC Study Criteria and Guidelines.

TANC plans its transmission system in accordance with the NERC and WECC Planning Reliability Standards, along with TANC's own design, planning and operating criteria which it utilizes for all customers on a comparable and non-discriminatory basis. The engineering criteria utilized by TANC are based on the WECC standards; the economic criteria are decided upon for each study by individual participants when determining the value of a suggested project.

- a. TANC and Stakeholder Alternative Solutions Evaluation Basis. TANC's planning process is an objective process that evaluates use of the transmission system on a comparable basis for all customers. All solution alternatives that have been presented on a timely basis, including transmission solutions, generation solutions and solutions utilizing demand response resources, whether presented by TANC or another Stakeholder, will be evaluated on a comparable basis. The same criteria and evaluation process will be applied to competing solutions and/or projects, regardless of type or class of Stakeholder. Solution alternatives will be evaluated against one another on the basis of the following criteria to select the preferred solution or combination of solutions: 1) ability to practically fulfill the identified need; 2) ability to meet applicable reliability

criteria or NERC Planning Standards issues; 3) technical, operational and financial feasibility; 4) operational benefits/constraints or issues; 5) cost-effectiveness over the time frame of the study or the life of the facilities, as appropriate (including adjustments, as necessary, for operational benefits/constraints or issues, including dependability); and 6) where applicable, consistency with State or local integrated resource planning requirements, or regulatory requirements, including cost recovery through regulated rates.

### **III. Subregional and Regional Coordination**

#### **A. Overview**

If a planned project impacts neighboring systems that include the footprint of WestConnect members, TANC will act through WestConnect for coordination and participation in the WestConnect planning process. Other entities that may be impacted will be encouraged to participate in the WestConnect planning process to facilitate coordination.

#### **B. Subregional Planning and Coordination in the WestConnect-SWAT-CCPG-SSPG Subregional Level**

A number of subregional processes and agreements are available to TANC to assist in the coordination of its planning efforts over a region encompassing a large number of interconnected transmission owners. These include the WestConnect Planning Participation Agreement for Subregional Transmission Planning (WCSTP Project Agreement) that defines the obligations of the signatory transmission owners to support and manage subregional planning processes within the WestConnect footprint. Those subregional planning processes include subregional planning groups such as the Southwest Area Transmission Planning Group (SWAT), the Colorado Coordinated Planning Group (CCPG), and the Sierra Subregional Planning Group (SSPG) which has been formed in the Northern Nevada/Northern California area within the WestConnect footprint.

TANC is a party to the WCSTP Project Agreement and is actively engaged in the SSPG. The WestConnect footprint, which includes the regions covered by SWAT, CCPG and SSPG, encompasses the states of Arizona, Colorado, New Mexico, Nevada, and parts of California, Wyoming and Texas. TANC submits its transmission plans to its relevant subregional planning group, SSPG, as required for inclusion in and coordination with SSPG's transmission plan. TANC actively participates in the SSPG planning process to ensure that TANC's data and assumptions are coordinated with the SSPG subregional plan. The WestConnect planning manager works with the WestConnect subregional planning groups to coordinate the subregional transmission plans and produce the WestConnect Transmission Plan.

TANC also participates in the California Transmission Planning Group, which addresses transmission needs within the state of California.

### C. SSPG's Role in the Subregional Planning Process

The SSPG Subregional Planning Process is still in development and may be revised as experience is gained with the process.

1. SSPG is tasked with bringing transmission planning information together and sharing updates on active projects within the Sierra subregion. The SSPG provides an open forum where any stakeholder interested in the planning of the transmission system in the SSPG footprint, which includes Northern California and Northern Nevada, including sponsors of transmission solutions, generation solutions and solutions utilizing demand response resources, can go to obtain information regarding base cases, plans, and projects and to provide input or express their needs as they relate to the transmission system. SSPG does not conduct economic planning studies.
2. The SSPG is expected to be comprised of transmission providers, transmission users, transmission operators, state regulatory entities and environmental entities. Membership is voluntary and open to all interested stakeholders including sponsors of transmission solutions, generation solutions and solutions utilizing demand response resources. TANC will participate in SSPG and relevant subcommittees and work groups and will submit its Ten-Year Transmission Plan to the relevant work groups. TANC's Ten Year Transmission Plan will then be incorporated within the SSPG subregional transmission plan in accordance with the WCSTP Project Agreement (see TANC Attachment G Hyperlinks List, [[Http://www.oatiosis.com/tanc/index.html](http://www.oatiosis.com/tanc/index.html)]). TANC will incorporate any applicable information, data, or study results from SSPG into the TANC planning process.
3. The SSPG's role is to promote subregional planning and transmission development in the Northern California and Northern Nevada area and to ensure that all of the individual transmission plans are coordinated in order to maximize use of the existing transmission system and identify the transmission expansion alternatives that most effectively meet future needs.
4. SSPG subcommittee planning groups provide a forum for entities including sponsors of transmission solutions, generation solutions and solutions utilizing demand response resources and any other interested parties to determine and study the needs of the Sierra region as a whole.

5. SSPG also provides a forum for project sponsors to introduce their specific projects to interested stakeholders and potential partners and allows for joint study of these projects, coordination with other projects, and project participation including ownership from other interested parties.
6. Transmission customers and stakeholders wishing to participate in the transmission planning processes for the high voltage and extra high voltage system in the Northern California or Northern Nevada area should engage the SSPG. TANC will assist transmission customers and stakeholders interested in becoming involved in the transmission planning process through direction to appropriate contact persons and websites. Stakeholders may request such assistance by contacting the TANC Point of Contact (gm@tanc.us). All transmission customers and stakeholders should bring their plans for future generators, loads or transmission service to the SSPG planning meetings.

**D. WestConnect's Role in SSPG and the Subregional Transmission Planning Process**

1. The WCSTP Project Agreement, of which each WestConnect party is a signatory, formalizes relationships and establishes obligations among the signatory transmission providers to coordinate regional transmission planning among the WestConnect participants, and the subregional planning groups (SWAT-CCPG-SSPG), participate in the subregional transmission planning groups, as appropriate, and produce a WestConnect Transmission Plan. The WCSTP Project Agreement is also open for participation by other non-WestConnect transmission providers that participate in the transmission planning activities of SWAT, CCPG and SSPG, their successors, or any other subregional transmission planning group that may form within the WestConnect footprint.
2. Under the WestConnect Objectives and Procedures for Regional Transmission Planning, TANC, along with the other WCSTP Project Agreement participants, agrees to work through the SWAT, CCPG and SSPG planning processes to integrate its Ten Year Transmission Plan with the other WestConnect participants' transmission plans into one ten year regional transmission plan for the WestConnect footprint by, among other activities:
  - a. Actively participating in the subregional transmission planning processes, including submitting its respective expansion plan, associated study work and pertinent financial, technical and engineering data to SSPG to support the validity of TANC's plan.
  - b. Coordinating, developing and updating common base cases to be used for all study efforts within the SWAT, CCPG and SSPG planning groups and

ensuring that each plan adheres to the common methodology and format developed jointly by the WestConnect subregional planning groups for this planning purpose.

- c. Providing funding for the WCSTP Project Agreement planning management functions pursuant to the WCSTP Project Agreement.
  - d. Retaining a planning manager to oversee the WCSTP Project Agreement process, ensure comparability among the subregional processes and perform the study work required to pull all the plans together.
  - e. Maintaining a regional planning section on the WestConnect website where all WestConnect planning information, including meeting notices, meeting minutes, reports, presentations, and other pertinent information is posted.
  - f. Posting detailed notices on all SWAT, CCPG, and SSPG meeting agendas on the WestConnect website (see TANC Attachment G Hyperlinks List, [[Http://www.oatioasis.com/tanc/index.html](http://www.oatioasis.com/tanc/index.html)]).
3. WestConnect Planning Meetings. WestConnect hosts two open public stakeholder meetings for transmission planning per calendar year in the 1<sup>st</sup> and 4<sup>th</sup> Quarters, respectively.
  4. WestConnect Role in Economic Planning. WestConnect will provide advice, on an as needed basis, to TEPPC regarding prioritizing regional economic planning study requests and potential clustering of requested regional economic planning studies, if those studies involve facilities in the WestConnect footprint. WestConnect will not conduct economic planning studies.

**E. Quarterly Schedule of Subregional and Local Transmission Planning Meetings.**

TANC will coordinate with SSPG in order to assure that quarterly meetings are timed in order to allow projects to escalate from local to regional councils in a timely fashion.

The proposed focus of the SSPG, WestConnect planning meetings and TANC public planning meetings will be:

**1<sup>st</sup> Quarter Meetings**

SSPG Meeting:

- Approve the final SSPG report for the previous year's study work.

- Approve the SSPG study plans for the new year;

WestConnect Planning Annual Meeting (see TANC Attachment G Hyperlinks, [[Http://www.oatiaoasis.com/tanc/index.html](http://www.oatiaoasis.com/tanc/index.html)]):

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

#### **2<sup>nd</sup> Quarter Meeting**

SSPG Meeting:

- Present preliminary SSPG study results.
- Determine additional SSPG study sensitivities.

TANC Planning Stakeholder Meetings:

- TANC reviews information on transmission needs received by March 31 from its transmission customers, if applicable.

#### **3<sup>rd</sup> Quarter Meeting**

SSPG Meeting:

- Annual Joint SSPG- CCPG-SWAT meeting.
- SSPG, CCPG and SWAT present current study results and approve key results, findings, and conclusions.
- Invite transmission customers and stakeholders' review, comment, advice and transmission study requests for the SSPG transmission planning process.

#### **4<sup>th</sup> Quarter Meeting**

SSPG Meeting:

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

WestConnect Planning Workshop:

- Present each current year study supported by i) final report or ii) status summary report.
- Present each WestConnect transmission provider's draft ten-year transmission plan.
- Present proposed study plans from SSPG, CCPG, and SWAT.
- Discuss future study needs with input from:
  - Study groups
  - TEPPC
  - Other subregional planning groups
  - Stakeholders at large
- Draft the WestConnect Ten Year Transmission Plan.
- Draft the WestConnect Transmission Planning Study Report.

TANC Planning Stakeholder Meeting:

- TANC reviews economic planning study requests received by October 31 (see Section II.7.A), if applicable.

#### **IV. Coordination at the Western Interconnection Level**

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

##### **A. Procedures for Regional Planning Project Review**

1. WECC coordination of reliability planning.
  - a. WECC develops the Western Interconnection-wide coordinated base cases for transmission planning analysis such as power flow, stability and dynamic voltage stability studies. The WECC approved base cases are used by transmission planners, subregional transmission planning groups, and other entities that have signed non-disclosure agreements with WECC.
  - b. WECC also maintains a data base for reporting the status of all planned projects throughout the Western Interconnection.
  - c. WECC provides for coordination of planned projects through its Procedures for Regional Planning project review.
  - d. The WECC path rating process ensures that a new project will have no adverse effect on existing projects or facilities.

2. Western Interconnection wide economic studies are conducted by the WECC-TEPPC in an open stakeholder process that holds region-wide stakeholder meetings on a regular basis. The WECC-TEPPC Transmission Planning Protocol, including the TEPPC procedures for prioritizing and completing regional economic studies, is posted on the WECC website (see TANC Attachment G Hyperlinks List, [[Http://www.oatiaoasis.com/tanc/index.html](http://www.oatiaoasis.com/tanc/index.html)]). TANC participates in the region-wide planning processes, as appropriate, to ensure that data and assumptions are coordinated.
3. Role of WECC-TEPPC. WECC-TEPPC provides two main functions in relation to the TANC planning process.
  - a. Development and maintenance of the west-wide economic planning study database.
    - i. TEPPC uses publicly available data to compile a database that can be used by a number of economic congestion study tools.
    - ii. TEPPC's database is publicly available for use in running economic congestion studies. For an interested transmission customer or stakeholder to utilize WECC's Pro-Mod planning model, it must comply with the WECC confidentiality requirements.
  - b. Performance of economic planning studies. TEPPC has an annual study cycle described in the WECC-TEPPC Transmission Planning Protocol (see TANC Attachment G, Hyperlinks List, [[Http://www.oatiaoasis.com/tanc/index.html](http://www.oatiaoasis.com/tanc/index.html)]), during which it will update databases, develop and approve a study plan that includes studying transmission customer high priority economic study requests as determined by the open TEPPC stakeholder process, perform the approved studies and document the results in a report.

## V. Dispute Resolution

If a dispute arises between a transmission customer and TANC involving Transmission Service under the Tariff, then the Dispute Resolution Procedures set forth in Section 12 of the Tariff shall govern.

If a dispute arises among or between TANC and another transmission owner(s) involving a cost allocation issue regarding the WECC/TEPPC, then the dispute resolution process of WECC as defined in Appendix C of the WECC bylaws shall govern.

Under other conditions, the parties to the dispute shall select one of the alternatives below. If there is no agreement on the alternative, Alternative 1 shall be used.

**Alternative 1 - Mediator Dispute Resolution Process (Non-Binding)**

The Mediator Process shall be completed within sixty (60) days of commencement.

A mediator shall be selected jointly by the disputing parties. The mediator shall 1) be knowledgeable in the subject matter of the dispute, and 2) have no official, financial, or personal conflict of interest with respect to the issues in controversy, unless the interest is fully disclosed in writing to all participants and all participants waive in writing any objection to the interest.

The disputing parties shall attempt in good faith to resolve the dispute in accordance with the procedures and timetable established by the mediator. In furtherance of the mediation efforts, the mediator may:

1. Require the parties to meet for face-to-face discussions, with or without the mediator;
2. Act as an intermediary between the disputing parties;
3. Require the disputing parties to submit written statements of issues and positions; and
4. If requested by the disputing parties, provide a written recommendation on resolution of the dispute.

If a resolution of the dispute is not reached by the 30<sup>th</sup> day after the appointment of the mediator or such later date as may be agreed to by the parties, the mediator shall promptly provide the disputing parties with a written, confidential, non-binding recommendation on resolution of the dispute, including the mediator's assessment of the merits of the principal positions being advanced by each of the disputing parties. At a time and place specified by the mediator after delivery of the foregoing recommendation, but no later than fifteen (15) days after issuance of the mediator's recommendation, the disputing parties shall meet in a good faith attempt to resolve the dispute in light of the mediator's recommendation. Each disputing party shall be represented at the meeting by a person with authority to settle the dispute, along with such other persons as each disputing party shall deem appropriate. If the disputing parties are unable to resolve the dispute at or in connection with this meeting, then: 1) any disputing party may commence such arbitral, judicial, regulatory or other proceedings as may be appropriate; and 2) the recommendation of the mediator shall have no further force or effect, and shall not be admissible for any purpose, in any subsequent arbitral, administrative, judicial, or other proceeding.

The costs of the time, expenses, and other charges of the mediator and of the mediation process shall be borne by the parties to the dispute, with each party in a mediated matter bearing an equal share of such costs. Each party shall bear its own costs and attorney's fees incurred in connection with any mediation.

**Alternative 2 - Independent Evaluator Dispute Resolution Process (Non-Binding)**

The Independent Evaluator Dispute Resolution Process shall be completed within ninety (90) days. An assessment of the unresolved issue(s) shall be performed by an Independent Evaluator that will be selected by the WECC Board. The Independent Evaluator shall evaluate the disputed issue(s) utilizing the same criteria that the Planning Committee is held to, that is, "the applicable reliability criteria of WECC and NERC, and the individual transmission owner's/provider's specific design, operating and planning criteria."

The Independent Evaluator shall be a recognized independent expert with substantial experience in the field of transmission planning with no past business relationship with any of the affected parties within the past two (2) years from the date the Dispute Resolution Process is started.

The Board shall retain an Independent Evaluator within fifteen (15) days of the request to utilize the Independent Evaluator Dispute Resolution Process.

The Independent Evaluator shall prepare a report of its findings, with recommendations on the unresolved issue(s), to the Board and the Planning Committee within forty-five (45) days from the date the Board selected the Independent Evaluator. The Independent Evaluator's findings and recommendations shall not be binding. The Board, with the assistance of the Planning Committee and the Independent Evaluator's report, shall attempt to resolve the unresolved issue(s) within thirty (30) days from receipt of the Independent Evaluator's report. If the Board fails to resolve the issue(s) to the satisfaction of all parties, any disputing party may commence such arbitration, judicial, regulatory or other proceedings as may be appropriate.

The costs of the Independent Evaluator shall be borne by the parties to the dispute with each party bearing an equal share of such costs. The WECC shall be one of the parties. Each party shall bear its own costs and attorney fees incurred in connection with the dispute resolution.

**VI. Cost Allocation**

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

**A. Open Season Solicitation of Interest.**

Project sponsor announces project and actively or verbally solicits interest in the project through informational meetings, information posted on the project sponsor's website, and industry press releases. For any transmission projects identified in a TANC reliability or economic planning study in which TANC is the project sponsor, TANC may elect to hold an "open season" solicitation of interest to secure additional project participants. Upon a

determination by TANC to hold an open season solicitation of interest for a transmission project, TANC will:

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

It is possible that the cost allocation principles for economic studies may be different from the cost allocation methods for projects involving multiple owners. TANC, together with WestConnect and WECC, will seek input from stakeholders in proposing cost allocation method.

TANC may elect to proceed with transmission projects without an open season solicitation of interest, in which case TANC will proceed with the project pursuant to its rights and obligations as a transmission provider.

#### **B. Allocation of Costs**

##### **1. Proportional Allocation**

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

##### **2. Economic Benefits or Congestion Relief**

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

3. Exclusions

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

**ATTACHMENT H****Transmission Creditworthiness Procedures**

Pursuant to Tariff Section 11, TANC, in its sole judgment, may require the Transmission Customer to post and maintain in effect during the term of the service agreement Security to meet its responsibilities and obligations under the Tariff. TANC will require such Security from Transmission Customers whose obligations exceed the applicable amount in the “Maximum Credit Limit” column in the table below. Such Security, if required, will be in a form acceptable to Transmission Provider and may include either a letter of credit or a parental guarantee, in which case TANC will use the corporate parent’s rating in the determination of the Maximum Credit Limit. Notwithstanding the amounts shown in the Maximum Credit Limit table, if a customer is past due on any payment obligation, that customer’s Credit Limit shall be \$0.

**Credit Limits**

<b>Rating</b>	<b>Standard &amp; Poor’s</b>	<b>Moody’s</b>	<b>Maximum Credit Limit</b>
1	AAA to AA-	Aaa to Aa3	\$1,250,000
2	A+ to A-	A1 to A3	\$750,000
3	BBB+ to BBB	Baa1 to Baa2	\$500,000
4	BBB-	Baa3	\$0
5	BB+ to BB-	Ba1 to Ba3	\$0
6	B+ to B-	B1 to B3	\$0
7	CCC+ or lower	Caa1 or lower	\$0
8	Not Rated by Either Agency		\$0

Note 1: If counterparty is rated by only one agency, that rating shall determine the TANC rating. If a counterparty is rated by both agencies and the ratings conflict, then the lower of the two agency ratings shall determine the TANC rating.

Note 2: The amount of credit provided to a Transmission Customer by virtue of a letter of credit or other guarantee will be limited based on the Transmission Provider review and assessment of the credit rating of that securing institution. That additional credit will not exceed the applicable Maximum Credit Limit in the table above.

Note 3: To the extent that a Transmission Customer desires to exceed its credit limitation as stated above, Transmission Provider will allow such a condition upon application of the procedure as discussed in Note 4.

Note 4: In general requests for transmission service that would cause the credit limit to be exceeded for a transmission customer shall be denied. If a Transmission Customer wants

to purchase service from Transmission Provider that would put the Transmission Customer over their credit limit, the Transmission Customer must prepay or wire funds directly to the Transmission Provider in order to maintain appropriate credit limit conditions or provide additional credit support in the form of a letter of credit acceptable to the Transmission Provider.

Note 5: If the Transmission Provider has Reasonable Grounds for Insecurity regarding the performance of any obligation under this Tariff, the Transmission Provider may demand Adequate Assurance of Performance. By definition, "Reasonable Grounds for Insecurity" may be determined by a downgrade event or a material adverse change in either the Transmission Customer's parent, or institution backing its security, or a material adverse change in creditworthiness. "Adequate Assurance of Performance" shall mean sufficient security in the form, amount, by an issuer or guarantor, and for the term reasonably acceptable to Transmission Provider, including, but not limited to, a standby irrevocable letter of credit, a prepayment, a security interest in an asset, or a performance bond or guaranty (including the issuer of any such security), cash, or escrow arrangements. The amount of Adequate Assurance of Payment demanded shall not exceed the Transmission Customer's credit limit as discussed and contemplated in Notes 1, 2, 3, and 4 above.

The Transmission Customer has the opportunity to contest the Transmission Provider's determination of Transmission Customer's creditworthiness or credit security requirements by submitting written notice to the Transmission Provider explaining its reasoning for contesting creditworthiness. The Transmission Customer must make this written notification within thirty (30) days of such determination. The Transmission Provider will respond to the Transmission Customer in writing within thirty (30) days of receipt of such notice.

ATTACHMENT I

**STANDARD LARGE GENERATOR  
INTERCONNECTION PROCEDURES (LGIP)**  
(Applicable to Generating Facilities that exceed 20 MW)

**including**

**STANDARD LARGE GENERATOR  
INTERCONNECTION AGREEMENT (LGIA)**

**TABLE OF CONTENTS ~~—LGIA—Att I~~**

	<b>Page No.</b>
SECTION 1. DEFINITIONS .....	5
SECTION 2. SCOPE AND APPLICATION .....	15
2.1 Scope of Transmission Provider’s Responsibility .....	15
2.2 Application of Standard Large Generator Interconnection Procedures .....	15
2.3 Comparability. ....	15
2.4 Base Case Data. ....	15
2.5 No Applicability to Transmission Service .....	16
SECTION 3. INTERCONNECTION REQUESTS.....	16
3.1 General. ....	16
3.2 Identification of Types of Interconnection Services .....	17
3.2.1 Energy Resource Interconnection Service. (As Available) .....	17
3.2.1.1 The Product .....	17
3.2.1.2 The Study.....	18
3.2.2 Network Resource Interconnection Service. (Full Output) .....	18
3.2.2.1 The Product .....	18
3.2.2.2 The Study.....	18
3.3 Utilization of Surplus Interconnection Service .....	19
3.3.1 Surplus Interconnection Service Requests.....	19
3.3.2 Customer Identification .....	20
3.3.3 Surplus Interconnection Service System Impact Study .....	20
3.3.4 Surplus Interconnection Service Facilities Study.....	22
3.3.5 Agreement for Surplus Interconnection Service.....	23
3.3.6 Conditions Applicable to Surplus Interconnection Service.....	23
3.4 Valid Interconnection Request. ....	25
3.4.1 Initiating an Interconnection Request .....	25
3.4.2 Acknowledgment of Interconnection Request.....	26
3.4.3 Deficiencies in Interconnection Request.....	26
3.4.4 Scoping Meeting.....	26
3.5 OASIS Posting. ....	27
3.5.2 Requirement to Post Interconnection Study Metrics.....	28
3.5.2.1 Interconnection Feasibility Studies Processing Time.....	28
3.5.2.2 Interconnection System Impact Studies Processing Time.....	29
3.5.2.3 Interconnection Facilities Studies Processing Time.....	30
3.5.2.4 Interconnection Service Requests Withdrawn from Interconnection Queue.....	30
3.6 Coordination with Affected Systems.....	32
3.7 Withdrawal. ....	32
3.8 Identification of Contingent Facilities.....	33
SECTION 4. QUEUE POSITION.....	34
4.1 General. ....	34

4.2 Clustering. ----- 35

4.3 Transferability of Queue Position. ----- 36

4.4 Modifications. ----- 36

SECTION 5. PROCEDURES FOR INTERCONNECTION REQUESTS  
 SUBMITTED PRIOR TO EFFECTIVE DATE OF STANDARD  
 LARGE GENERATOR INTERCONNECTION PROCEDURES.....40

5.1 Queue Position for Pending Requests ----- 40

5.2 New Transmission Provider. ----- 41

SECTION 6. INTERCONNECTION FEASIBILITY STUDY ..... 41

6.1 Interconnection Feasibility Study Agreement ----- 41

6.2 Scope of Interconnection Feasibility Study ----- 42

6.3 Interconnection Feasibility Study Procedures ----- 43

6.3.1 Meeting with Transmission Provider .....43

6.4 Re-Study. ----- 43

SECTION 7. INTERCONNECTION SYSTEM IMPACT STUDY ..... 44

7.1 Interconnection System Impact Study Agreement ----- 44

7.2 Execution of Interconnection System Impact Study Agreement ----- 44

7.3 Scope of Interconnection System Impact Study ----- 45

7.4 Interconnection System Impact Study Procedures ----- 45

7.5 Meeting with Transmission Provider ----- 46

7.6 Re-Study. ----- 46

SECTION 8. INTERCONNECTION FACILITIES STUDY ..... 47

8.1 Interconnection Facilities Study Agreement ----- 47

8.2 Scope of Interconnection Facilities Study ----- 47

8.3 Interconnection Facilities Study Procedures ----- 48

8.4 Meeting with Transmission Provider ----- 49

8.5 Re-Study. ----- 49

SECTION 9. ENGINEERING & PROCUREMENT (E&P) AGREEMENT ..... 49

SECTION 10. OPTIONAL INTERCONNECTION STUDY ..... 50

10.1 Optional Interconnection Study Agreement ----- 50

10.2 Scope of Optional Interconnection Study ----- 50

10.3 Optional Interconnection Study Procedures ----- 51

SECTION 11. STANDARD LARGE GENERATOR INTERCONNECTION  
 AGREEMENT (LGIA)..... 51

11.1 Tender. ----- 51

11.2 Negotiation. ----- 52

11.3 Execution. ----- 52

11.4 Commencement of Interconnection Activities----- 53

SECTION 12. CONSTRUCTION OF TRANSMISSION PROVIDER'S  
INTERCONNECTION FACILITIES AND NETWORK  
UPGRADES..... 53

12.1 Schedule. ----- 53

12.2 Construction Sequencing. ----- 53

12.2.1 General .....53

12.2.2 Advance Construction of Network Upgrades that are an Obligation of an  
Entity other than Interconnection Customer.....54

12.2.3 Advancing Construction of Network Upgrades that are Part of an  
Expansion Plan of the Transmission Provider .....54

12.2.4 Amended Interconnection System Impact Study.....55

SECTION 13. MISCELLANEOUS..... 55

13.1 Confidentiality. ----- 55

13.1.1 Scope.....55

13.1.2 Release of Confidential Information .....56

13.1.3 Rights.....56

13.1.4 No Warranties .....56

13.1.5 Standard of Care.....57

13.1.6 Order of Disclosure.....57

13.1.7 Remedies.....57

13.2 Delegation of Responsibility ----- 58

13.3 Obligation for Study Costs. ----- 58

13.4 Third Parties Conducting Studies. ----- 58

13.5 Disputes. ----- 59

13.5.1 Submission.....59

13.5.2 External Arbitration Procedures .....60

13.5.3 Arbitration Decisions.....60

13.5.4 Costs .....60

13.5.5 Non-binding Dispute Resolution Procedures.....61

13.6 Facilities Financed by Tax-Exempt Bonds ----- 61

13.7 Jurisdiction. - ----- 62

13.713.8.....Engineerin

g & Procurement ('E&P') Agreement.....76

Appendix 1 – Interconnection Request for a Large Generating Facility

~~Appendix 2 – Interconnection Feasibility Study Agreement~~

~~Appendix 2 – Cluster Study Agreement~~

~~Appendix 3 – Interconnection System Impact Study Agreement~~

Appendix ~~3 – 4~~ Interconnection Facilities Study Agreement

Appendix ~~4 – 5~~ Optional Interconnection Study Agreement

[Appendix 5 – Technological Advancement Request and Study Agreement](#)

[Appendix 6 - 6 – Standard Large Generator Interconnection Agreement](#)

[Appendix 6A - 7 – Interconnection Procedures for a Variable Energy Resource](#)

[Appendix 6B - 8 – Interconnection Procedures for a Wind Generating Plant](#)

[Appendix 7 – Transitional Cluster Study Agreement](#)

[Appendix 8 – Transitional Serial Interconnection Facilities Study Agreement](#)

[Appendix 79 – Two-Party Affected System Study Agreement](#)

[Appendix 840 – Multiparty Affected System Study Agreement](#)

[Appendix 944 – Two-Party Affected System Facilities Construction Agreement](#)

[Appendix 102 – Multiparty Affected System Facilities Construction Agreement](#)

## Section 1. Definitions

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

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

**Affected System Facilities Construction Agreement** shall mean the agreement contained in Appendix 944 to this LGIP that is made between Transmission Provider and Affected System Interconnection Customer to facilitate the construction of and to set forth cost responsibility for necessary Affected System Network Upgrades on Transmission Provider's Transmission System.

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

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

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

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

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

**Affected System Study Agreement** shall mean the agreement contained in Appendix 79 to this LGIP that is made between Transmission Provider and Affected System Interconnection Customer to conduct an Affected System Study pursuant to Section 9 of this LGIP.

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

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

**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 ~~Electric Reliability Organization~~ ~~Applicable Reliability Council~~, and the Balancing Authority Area of the Transmission System to which the Generating Facility is directly interconnected.

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

**Balancing Authority Area** shall mean ~~the collection of generation, transmission, and loads within the metered boundaries of the Balancing Authority. The Balancing Authority maintains load-resource balance within this area. an electric power system or combination of electric power systems to which a common automatic generation control scheme is applied in order to:~~

~~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);~~

~~Maintain scheduled interchange with other Balancing Authority Areas, within the limits of Good Utility Practice.~~

**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.

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

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

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

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

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

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

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

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

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

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

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

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

**Confidential Information** shall mean any confidential, proprietary or trade secret information of a plan, specification, pattern, procedure, design, device, list, concept, policy or compilation relating to the present or planned business of a Party, which is designated as confidential by the Party supplying the information, whether conveyed orally, electronically, in writing, through inspection, or otherwise.

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

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

**Default** shall mean the failure of a Breaching Party to cure its Breach in accordance with Article 17 of the Standard Large Generator Interconnection Agreement.

**Dispute Resolution** shall mean the procedure for resolution of a dispute between the Parties, as further defined in Section 13.5.

**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 ~~e~~ffect Interconnection Customer's wholesale sale of electricity in interstate commerce. Distribution Upgrades do not include Interconnection Facilities.

**Effective Date** shall mean the date on which the Standard Large Generator Interconnection Agreement becomes effective upon execution by the Parties.

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

**Emergency Condition** shall mean a condition or situation: 1) that in the judgment of the Party making the claim is imminently likely to endanger life or property; or 2) that, in the case of a 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 non-firm 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(s) 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 ~~or and~~ the aggregate net capacity of the Generating Facility where it includes more than one device for the production and/or storage for later injection of electricity~~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~~ Transmission Provider, its facilities, or services, and exercising or entitled to exercise any administrative, executive, police, or taxing authority or power.

**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 ~~Cluster 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 ~~this LGIP~~ ~~the Standard Large Generator Interconnection Procedures~~.

**Interconnection Facilities Study Agreement** shall mean the form of agreement contained in Appendix 34 of ~~this LGIP~~ ~~the Standard Large Generator Interconnection Procedures~~ for conducting the Interconnection Facilities Study.

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

~~**Interconnection 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 ~~this LGIP~~ ~~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 Cluster Interconnection Feasibility Study, the Cluster Restudy, Interconnection System Impact Study, the Surplus Interconnection Service Study, and the Interconnection Facilities Study, the Affected System Study, Optional Interconnection Study, and Material Modification assessment described in this LGIP, ~~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.

**LGIA Deposit** shall mean the deposit Interconnection Customer submits when returning the executed LGIA, or within ten (10) Business Days of requesting to proceed with Dispute Resolution procedures in Section 13.5 with respect to a draft LGIA.

**Loss** shall mean any and all losses relating to injury to or death of any person or damage to property, demand, suits, recoveries, costs and expenses, court costs, attorney fees, and all other obligations by or to third parties, arising out of or resulting from the other Party's performance, or non-performance of its obligations under the Standard Large Generator Interconnection Agreement on behalf of the indemnifying Party, except in cases of gross negligence or intentional wrongdoing by the indemnifying Party.

**Material Modification** shall mean those modifications that have a material impact on the cost or timing of any Interconnection Request with an equal or later-~~Queue Position~~~~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.

Multiparty Affected System Facilities Construction Agreement shall mean the agreement contained in Appendix 102 to this LGIP that is made among Transmission Provider and multiple Affected System Interconnection Customers to facilitate the construction of and to set forth cost responsibility for necessary Affected System Network Upgrades on Transmission Provider's Transmission System.

Multiparty Affected System Study Agreement shall mean the agreement contained in Appendix 840 to this LGIP that is made among Transmission Provider and multiple Affected System Interconnection Customers to conduct an Affected System Study pursuant to Section 9 of this LGIP.

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. Network Resource Interconnection Service in and of itself does not convey transmission service. Additionally, this service does not mean that TANC provides Network Integration Transmission Service in conjunction with a transmission service request. TANC only provides Point-to-Point Transmission Service through a transmission service request.

**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 45 of [this LGIP](#) ~~the Standard Large Generator Interconnection Procedures~~ for conducting the Optional Interconnection Study.

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

**Permissible Technological Advancement** shall mean modification to equipment that: (1) results in electrical performance that is equal to or better than the electrical performance expected prior to the technology change; (2) does not cause any reliability concerns; (3) does not degrade the electrical characteristics of the generating equipment, e.g., the ratings, impedances, efficiencies, capabilities, and performance of the equipment under steady-state and dynamic conditions; and (4) does not ~~constitute have a material impact on the cost or timing of any Interconnection Request with a later queue priority date, and is therefore not a~~ Material Modification. A Permissible Technological Advancement is a change in equipment that may achieve cost or grid performance efficiencies, and it may include turbines, inverters, plant supervisory controls or other devices that could affect a Generating Facility's ability to provide Ancillary Services but does not include changes in generation technology type or fuel type, e.g., wind to solar or natural gas to wind.

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

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

[Proportional Impact Method shall mean a technical analysis conducted by Transmission Provider to determine the degree to which each Generating Facility in the Cluster Study contributes to the need for a specific System Network Upgrade.](#)

**Provisional Interconnection Service** shall mean Interconnection Service provided by 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 pursuant to Section 4.1 of this LGIP based upon the date and time of receipt of the valid Interconnection Request by the Transmission Provider.~~

**Reasonable Efforts** shall mean, with respect to an action required to be attempted or taken by a Party under the [Standard Large Generator Interconnection Procedures](#) or 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(s) and Transmission Provider conducted for the purpose of discussing [the proposed Interconnection Request and any](#) alternative interconnection options, ~~to exchange~~ information including any transmission data and earlier study evaluations that would be reasonably expected to impact such interconnection options, [refining information and models provided by Interconnection Customer\(s\), discussing the Cluster Study materials posted to OASIS pursuant to Section 3.5 of this LGIP, and to analyze](#) such information, ~~and to determine the potential feasible Points of Interconnection.~~

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

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

**Stand Alone Network Upgrades** shall mean Network Upgrades that are not part of an Affected System that ~~an~~ Interconnection Customer may construct without affecting day-to-day operations of the Transmission System during their construction. Both ~~the~~ Transmission Provider and ~~the~~ Interconnection Customer must agree as to what constitutes Stand Alone Network Upgrades and identify them in Appendix A to the Standard Large Generator Interconnection Agreement. If ~~the~~ Transmission Provider and Interconnection Customer disagree about whether a particular Network Upgrade is a Stand Alone Network Upgrade, ~~the~~ Transmission Provider must provide ~~the~~ Interconnection Customer a written technical explanation outlining why ~~the~~

Transmission Provider does not consider the Network Upgrade to be a Stand Alone Network Upgrade within fifteen (15) Business Days of its determination.

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

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

**Surplus Interconnection Service** shall mean any unneeded portion of Interconnection Service established in a Standard Large Generator Interconnection Agreement, such that if Surplus Interconnection Service is utilized, the total amount of Interconnection Service at the Point of Interconnection would remain the same.

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

**System Protection Facilities** shall mean the equipment, including necessary protection signal communications equipment, required to protect 1) ~~the~~ Transmission Provider's Transmission System from faults or other electrical disturbances occurring at the Generating Facility and 2) the Generating Facility from faults or other electrical system disturbances occurring on ~~the~~ Transmission Provider's Transmission System or on other delivery systems or other generating systems to which ~~the~~ Transmission Provider's Transmission System is directly connected.

**Tariff** shall mean ~~the~~ Transmission Provider's Tariff through which open access transmission service and Interconnection Service are offered, and as amended or supplemented from time to time, or any successor tariff.

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

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

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

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

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

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

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

**Transmission Owner** shall mean an entity that owns, leases or otherwise possesses an interest in the portion of the Transmission System at the Point of Interconnection and may be a Party to the Standard Large Generator Interconnection Agreement to the extent necessary.

**Transmission Provider** shall mean the Transmission Agency of Northern California.

**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.

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

## **Section 2. Scope and Application**

### **2.1 Scope of Transmission Provider's Responsibility.**

Notwithstanding the provisions of these procedures and agreements appended hereto, ~~the~~ Transmission Provider is not required to provide or offer any service ~~the~~ Transmission Provider determines, in its sole discretion, it is incapable of providing on its Transmission System or that will adversely impact the tax-exempt status of any financing.

### **2.2 Application of Standard Large Generator Interconnection Procedures.**

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

### **2.3 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, shall process and analyze~~ Interconnection Requests from all Interconnection Customers comparably, regardless of whether the Generating Facilities are owned by Transmission Provider, its subsidiaries or Affiliates or others.

### **2.4 Base Case Data.**

Transmission Provider shall maintain base power flow, short circuit, and stability databases, including all underlying assumptions, and contingency list on either its OASIS site or a password-protected website, subject to confidentiality provisions in LGIP Section 13.1. In addition, Transmission Provider shall maintain network models and underlying assumptions on either its OASIS site or a password-protected website. Such network models and underlying assumptions should reasonably represent those used during the most recent Interconnection Study for which the Interconnection Customer has a valid Interconnection Request and be representative of current system conditions ~~with assumed higher queued generation and transmission additions~~. If Transmission Provider posts this

information on a password-protected website, a link to the information must be provided on Transmission Provider's OASIS site. Transmission Provider is permitted to ~~exercise reasonable judgment in order to protect grid security in determining which~~ require that Interconnection Customers, OASIS site users, and password-protected website users ~~will be permitted to~~ sign a confidentiality agreement ~~and thereby secure~~ before the release of ~~any~~ commercially sensitive information or ~~information the Transmission Provider determines should be defined as~~ Critical Energy Infrastructure Information in the Base Case data. ~~To assist in such reasonable judgment, Transmission Provider may require entities seeking to enter into confidentiality agreements such information as is required in 18 C.F.R. Sec. 388.113(g)(5)(i).~~ 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.

## 2.5 No Applicability to Transmission Service.

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

## Section 3. Interconnection Requests

### 3.1 Interconnection Requests~~General~~.

#### 3.1.1 Study Deposits.

##### 3.1.1.1 Study Deposit.

~~An~~ Interconnection Customer shall submit to Transmission Provider, during a Cluster Request Window, an Interconnection Request in the form of Appendix 1 to this LGIP, a non-refundable application fee of \$5,000 and a ~~non~~-refundable study deposit of ~~\$10,000~~.

(a) \$35,000 plus \$1,000 per MW for Interconnection Requests <80 MW; or

(b) \$150,000 for Interconnection Requests ≥ 80 MW < 200 MW; or

(c) \$250,000 for Interconnection Requests ≥ 200 MW.

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

### 3.1.2 Submission.

~~Transmission Provider shall apply the deposit toward the cost of processing the Interconnection Request and related administrative duties including the Scoping Meeting.~~ Interconnection Customer shall submit a separate Interconnection Request for each site. Where multiple Generating Facilities share a site, Interconnection Customer(s) may submit separate Interconnection Requests or a single Interconnection Request. ~~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 ~~a the~~ Scoping Meeting within the Customer Engagement Window to evaluate in this process and attempt to eliminate alternatives in a reasonable fashion given resources and information available. Interconnection Customer will select the definitive Point(s) of Interconnection to be studied no later than the execution of the ~~Cluster Interconnection Feasibility Study Agreement.~~ For purposes of clustering Interconnection Requests, Transmission Provider may propose changes to the requested Point of Interconnection to facilitate efficient interconnection of Interconnection Customers at common Point(s) of Interconnection. Transmission Provider shall notify Interconnection Customers in writing of any intended changes to the requested Point of Interconnection within the Customer Engagement Window, and the Point of Interconnection shall only change upon mutual agreement.

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, and associated costs, but may be subject to other studies at the full Generating Facility Capacity to ensure safety and reliability of the system, with the study costs borne by ~~the~~ Interconnection Customer. If after the additional studies are complete, Transmission Provider determines that additional Network Upgrades are necessary, then Transmission Provider must: (1) specify which additional Network Upgrade costs are based on which studies; and (2) provide a detailed explanation of why the additional Network Upgrades are necessary. Any Interconnection Facility and/or Network Upgrade costs required for safety and reliability also ~~would~~will be borne by ~~the~~ Interconnection Customer. Interconnection Customers may be subject to additional control technologies as well as testing and validation of those technologies consistent with Article 6 of the LGIA. The necessary control technologies and protection systems shall be established in Appendix C of the executed LGIA. ~~The provisions related to~~

requests and studies for a level of Interconnection Service below the Generating Facility Capacity are set forth in Sections 3.1, 6.3, 7.3, and 8.2 of this LGIP, and in Section 5.j of Appendix 1 to this LGIP.

Transmission Provider shall have a process in place to study Generating Facilities that include at least one electric storage resource using operating assumptions (i.e., whether the interconnecting Generating Facility will or will not charge at peak load) that reflect the proposed charging behavior of the Generating Facility as requested by Interconnection Customer, unless Transmission Provider determines that Good Utility Practice, including Applicable Reliability Standards, otherwise requires the use of different operating assumptions. If Transmission Provider finds Interconnection Customer's requested operating assumptions conflict with Good Utility Practice, Transmission Provider must provide Interconnection Customer an explanation in writing of why the submitted operating assumptions are insufficient or inappropriate by no later than thirty (30) Calendar Days before the end of the Customer Engagement Window and allow Interconnection Customer to revise and resubmit requested operating assumptions one time at least ten (10) Calendar Days prior to the end of the Customer Engagement Window. Transmission Provider shall study these requests for Interconnection Service, with the study costs borne by Interconnection Customer, using the submitted operating assumptions for purposes of Interconnection Facilities, Network Upgrades, and associated costs. These requests for Interconnection Service also may be subject to other studies at the full Generating Facility Capacity to ensure safety and reliability of the system, with the study costs borne by Interconnection Customer. Interconnection Customer's Generating Facility may be subject to additional control technologies as well as testing and validation of such additional control technologies consistent with Article 6 of the LGIA. The necessary control technologies and protection systems shall be set forth in Appendix C of Interconnection Customer's LGIA.

### **3.2 Identification of Types of Interconnection Services.**

At the time the Interconnection Request is submitted, Interconnection Customer must request either Energy Resource Interconnection Service or Network Resource Interconnection Service as described; provided, however, that since Transmission Provider has not integrated any generating facilities to serve native load, it is unable to offer or study Network Resource Interconnection Service. Any Interconnection Customer requesting Network Resource Interconnection Service may also request that it be concurrently studied for as an Energy Resource Interconnection Service, up to the point when an Interconnection Facilities Study Agreement is executed. Interconnection Customer may then elect to proceed under the lowest level of interconnection service to the extent that only certain upgrades will be completed.

### 3.2.1 Energy Resource Interconnection Service. ~~(As Available)~~

#### 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 ~~also identify~~ necessary upgrades to allow full output of the proposed Large Generating Facility, except for Generating Facilities that include at least one electric storage resource that request to use operating assumptions pursuant to Section 3.1.2, unless Transmission Provider determines that Good Utility Practice, including Applicable Reliability Standards, otherwise requires the use of different operating assumptions, and would also identify the maximum allowed output, at the time the study is performed, of the interconnecting Large Generating Facility without requiring additional Network Upgrades.

### 3.2.2 Network Resource Interconnection Service. ~~(Full Output)~~

#### 3.2.2.1 The Product.

The Transmission Provider must conduct the necessary studies and construct the Network Upgrades needed to integrate the Large Generating Facility in a manner comparable to that in which Transmission Provider integrates its generating facilities to serve native load customers. Given that TANC has not integrated any generating facilities to serve native load, it is unable to offer or study Network Resource Interconnection Service. Network Resource Interconnection Service ~~a~~Allows ~~the~~ 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 ~~all other~~ existing Network Resources

interconnected to ~~the~~ 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 (Not Applicable Unless TANC is Able to Offer NRIS).**

The Interconnection Study for Network Resource Interconnection Service shall assure that ~~the~~ 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 ~~the~~ 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, except for Generating Facilities that include at least one electric storage resource that request to use, and for which Transmission Provider approves, operating assumptions pursuant to Section 3.1.2, the aggregate of generation in the local area can be delivered to the aggregate of load on ~~the~~ Transmission Provider's Transmission System, consistent with the Transmission Provider's reliability criteria and procedures. This approach assumes that some portion of existing Network Resources are displaced by the output of Interconnection Customer's Large Generating Facility. Network Resource Interconnection Service in and of itself does not convey any ~~transmission service right to deliver electricity to any specific customer or Point of Delivery. Transmission Provider may also study the Transmission System under non-peak load conditions. However, upon request by Interconnection Customer, Transmission Provider must explain in writing to Interconnection Customer why the study of non-peak load conditions is required for reliability purposes.~~

## **3.3 Utilization of Surplus Interconnection Service.**

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 or may be submitted once Interconnection Customer has executed the LGIA. 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 ~~s~~System ~~i~~mpact ~~s~~Study report or Cluster Study Report 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.

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

### ~~3.3.2~~

~~All notifications and requests for Surplus Interconnection Service shall be submitted utilizing, and in accordance with, Appendix 1 to this LCIP, and shall be processed outside of the interconnection queue and in the order that such requests for Surplus Interconnection Service have been received by Transmission Provider. In order to deem a Surplus Interconnection Service Request valid and complete, a deposit of \$25,000 must be received by the Transmission Provider. The Surplus Interconnection Service Request shall be reviewed to determine whether it qualifies as such, including but not limited to whether the existing Point of Interconnection has unused capacity equal to or greater than the requested surplus capacity. Transmission Provider will notify the customer requesting Surplus Interconnection Service (i.e., "Surplus Interconnection Service Customer") as to whether its Surplus Interconnection Service Request is valid, as further described in Section 3.3.2 below. If the Surplus Interconnection Service Request is not valid,~~

~~the notification to the Surplus Interconnection Service Customer will include an explanation of why it is not valid. Once a Surplus Interconnection Service Request has been deemed valid, Transmission Provider will assign a unique identification number, distinct from the numbers assigned for the existing interconnection queue, for the purpose of tracking the Surplus Interconnection Service Request and assigning priority in relation to other Surplus Interconnection Service Requests.~~

### **~~3.3.3 Customer Identification.~~**

~~If the Surplus Interconnection Service Customer is not the existing Interconnection Customer at the Point of Interconnection (“Existing Customer”) or an affiliate of the Existing Customer, Transmission Provider will contact the Existing Customer and inform it that a Surplus Interconnection Service Request has been made that will potentially impact its existing LGIA.~~

~~3.3.3.1 If the Surplus Interconnection Service Customer is not the Existing Customer or an affiliate of the Existing Customer, the following conditions must be met for the Surplus Interconnection Service Request to be considered valid:~~

- ~~a. The Existing Customer must agree in writing to allow the Surplus Interconnection Service Customer to use the Surplus Interconnection Service; and~~
- ~~b. The Existing Customer shall stipulate the amount of Surplus Interconnection Service that is available and when that service is available, and shall describe any other conditions under which Surplus Interconnection Service at the Point of Interconnection may be used.~~

### **~~3.3.4 Surplus Interconnection Service System Impact Study.~~**

~~3.3.4.1 Within ten (10) Business Days following notification of a valid application for Surplus Interconnection Service, Transmission Provider will tender to the Surplus Interconnection Service Customer a Surplus Interconnection Service System Impact Study Agreement, which includes a good faith estimate of the estimated timeframe for completing the Surplus Interconnection Service System Impact Study. The Surplus Interconnection Service System Impact Study Agreement shall specify that the Surplus Interconnection Service Customer is responsible for the actual cost of the Surplus Interconnection Service System Impact Study.~~

~~3.3.4.2~~ The Surplus Interconnection Service Customer shall execute and deliver the Surplus Interconnection Service System Impact Study Agreement to Transmission Provider no later than thirty (30) Calendar Days after its receipt, together with an additional \$25,000 deposit to be used in preparation of the Surplus Interconnection Service System Impact Study and report.

~~3.3.4.3~~ Transmission Provider will evaluate the original Interconnection System Impact Study for the existing service at the Point of Interconnection to determine its suitability for use in the evaluation of the Surplus Interconnection Service Request. In addition, if required, Transmission Provider will perform those analyses described in Section 3.3.1 to evaluate the capability at the existing Point of Interconnection for Surplus Interconnection Service. These analyses will identify any required Interconnection Facilities, Network Upgrades, or necessary control technologies.

~~3.3.4.4~~ Transmission Provider will use Reasonable Efforts to complete the Surplus Interconnection Service study(ies) described in this Section 3.3.3 within ninety (90) Calendar Days. If Transmission Provider anticipates that the Surplus Interconnection Service study(ies) will not be completed within the required time, the Surplus Interconnection Service Customer will be notified and provided an estimate of the expected date of completion. After the completion of the study(ies), Transmission Provider will provide the Surplus Interconnection Service Customer a report indicating what Interconnection Facilities and necessary control technologies, if any, will be required to provide Surplus Interconnection Service. If any additional Network Upgrades are identified as being required for Surplus Interconnection Service, the Surplus Interconnection Service Request will be denied, and the Surplus Interconnection Service Customer may submit a new Interconnection Request in accordance with Section 3.4 of this LGIP.

If no Interconnection Facilities or necessary control technologies are required, the Surplus Interconnection Service Customer will have thirty (30) Calendar Days after receiving the report to determine if it will negotiate an agreement for Surplus Interconnection Service. If the Surplus Interconnection Service Customer does not seek to negotiate an agreement for Surplus Interconnection Service, its Surplus Interconnection Service Request will be deemed withdrawn.

### **3.3.5 Surplus Interconnection Service Facilities Study.**

~~3.3.5.1~~ If the Surplus Interconnection Service System Impact Study report developed under Section 3.3.3 above identifies any Interconnection Facilities and/or control technologies as necessary for the utilization of the Surplus Interconnection Service, Transmission Provider will tender to the Surplus Interconnection Service Customer a Surplus Interconnection Service Facilities Study Agreement simultaneously with the delivery of the report. The Surplus Interconnection Service Facilities Study Agreement shall provide that the Surplus Interconnection Service Customer shall compensate Transmission Provider for the actual cost of the Surplus Interconnection Service Facilities Study.

~~3.3.5.2~~ The Surplus Interconnection Service Customer shall execute and deliver the Surplus Interconnection Service Facilities Study Agreement to Transmission Provider within thirty (30) Calendar Days after its receipt, together with an additional \$50,000 deposit to be used in preparation of the Surplus Interconnection Service Facilities Study and report.

~~3.3.5.3~~ Transmission Provider will use Reasonable Efforts to complete the Surplus Interconnection Service Facilities Study and issue the report within ninety (90) Calendar Days after the receipt of the Surplus Interconnection Service Facilities Study Agreement and required study deposit, with a +/- 20 percent cost estimate contained in the report. If Transmission Provider is unable to complete the Surplus Interconnection Service Facilities Study within the time required, it will notify the Surplus Interconnection Service Customer and provide an estimated completion date and an explanation of the reasons why additional time is required.

~~3.3.5.4~~ The Surplus Interconnection Service Customer will have thirty (30) Calendar Days after receiving the Surplus Interconnection Service Facilities Study report to determine if it will negotiate an agreement for Surplus Interconnection Service. If the Surplus Interconnection Service Customer does not seek to negotiate an agreement for Surplus Interconnection Service, its Surplus Interconnection Service Request will be deemed withdrawn.

### **3.3.6 Agreement for Surplus Interconnection Service**

~~3.3.6.1~~ If the Surplus Interconnection Service Customer requests to negotiate an agreement for Surplus Interconnection as provided for in Sections 3.3.3.4 or 3.3.4.4 above, Transmission Provider will tender to the Surplus Interconnection Service Customer a draft agreement for Surplus Interconnection Service within sixty (60) Calendar Days. The Surplus Interconnection Service Customer and Existing Customer (if the Existing Customer or its affiliate is not the Surplus Interconnection Service Customer) shall provide comments to Transmission Provider within thirty (30) Calendar Days following receipt of the draft agreement for Surplus Interconnection Service.

~~3.3.6.2~~ Transmission Provider, the Existing Customer (if the Existing Customer or its affiliate is not the Surplus Interconnection Service Customer), and the Surplus Interconnection Service Customer shall coordinate as necessary to establish the necessary conditions of Surplus Interconnection Service, such as the term of operation, the limitation on total combined Generating Facility output at the Point of Interconnection, if applicable, and the mode of operation for energy production (i.e., common or singular operation), and to establish the roles and responsibilities of the Parties for maintaining the operation of the Interconnection Facilities.

~~3.3.6.3~~ Within thirty (30) Calendar Days after comments are submitted, the Transmission Provider shall tender a final agreement for Surplus Interconnection Service to the Requesting Customer and Existing Customer (if the Existing Customer or its affiliate is not the Requesting Customer). Transmission Provider shall have the agreement for Surplus Interconnection Service executed by the applicable parties.

### **3.3.7 Conditions Applicable to Surplus Interconnection Service**

~~3.3.7.1~~ Surplus Interconnection Service shall only be available at the preexisting Point of Interconnection of the Existing Customer.

~~3.3.7.2~~ Surplus Interconnection Service may be offered under a variety of circumstances, including, for example, on a continuous basis (i.e., a specific number of MW of Surplus Interconnection Service always available for use by a co-located Generating Facility) or on a

~~scheduled, periodic basis (i.e., a specified number of MW available intermittently). This includes situations where existing Generating Facilities operate infrequently (e.g., peaking units) or often operate below their full Generating Facility Capacity (e.g., variable energy resources).~~

~~**3.3.7.3** Surplus Interconnection Service cannot be offered until all facilities required for the Existing Customer's Interconnection Service (including all Contingent Facilities) are constructed and in service.~~

~~**3.3.7.4** Surplus Interconnection Service cannot be offered if the Existing Customer's Generating Facility is scheduled to retire and permanently cease Commercial Operation before the Surplus Interconnection Service Customer's Generating Facility begins Commercial Operation.~~

~~Furthermore, Surplus Interconnection Service generally shall no longer be available when the Existing Customer's Generating Facility retires and permanently ceases Commercial Operation. However, in accordance with the requirements set forth in Order No. 845, et seq., Transmission Provider will permit a limited continuation of Surplus Interconnection Service for up to one (1) year after such retirement and cessation when the following conditions are met:~~

~~The Surplus Interconnection Service Customer's Generating Facility was studied by Transmission Provider for sole operation at the Point of Interconnection at the time of the interconnection of the Surplus Service Interconnection customer; and~~

~~The Existing Customer (which is also now the retiring Interconnection Customer) agreed in writing that the Surplus Interconnection Service Customer may continue to operate at either its limited share of the Existing Customer's Generating Facility Capacity in the Existing Customer's LGIA, as reflected in its agreement for Surplus Interconnection Service, or at any level below such limit upon the retirement and permanent cessation of Commercial Operation of the Existing Customer's Generating Facility.~~

~~If both these conditions are not met, then the agreement for Surplus~~

~~Interconnection Service shall be drafted to, and shall, terminate simultaneously with the termination of the Existing Customer's LGIA from which the associated Surplus Interconnection Service is provided.~~

~~Interconnection Customers are under no obligation to choose Surplus Interconnection Service rather than seeking their own stand alone Interconnection Service directly from Transmission Provider. Consequently, Interconnection Customers requiring greater up front assurance that their Interconnection Service will not be affected by the retirement of another Generating Facility should carefully consider whether Surplus Interconnection Service is the correct service for their particular needs.~~

~~**3.3.7.5** If the Existing Customer's LGIA provides for Energy Resource Interconnection Service, any associated Surplus Interconnection Service Requests may only be for Energy Resource Interconnection Service. If the Existing Customer's LGIA provides for Network Resource Interconnection Service, any associated Surplus Interconnection Service Requests may be for either Energy Resource Interconnection Service or Network Resource Interconnection Service.~~

~~**3.3.7.6** If the use of Surplus Interconnection Service increases the total Generating Facility output at a Point of Interconnection, the total combined Generating Facility output at that Point of Interconnection for both the Existing Customer and the Surplus Interconnection Service Customer is limited to and shall not exceed the maximum Interconnection Service level allowed under the Existing Customer's LGIA.~~

~~**3.3.7.7** The use of Surplus Interconnection Service does not convey any promise of or right to transmission service.~~

## 3.4 Valid Interconnection Request.

### 3.4.1 Cluster Request Window.

~~Transmission Provider shall accept Interconnection Requests during a forty-five (45) Calendar Day period (the Cluster Request Window). The initial Cluster Request Window shall open on for Interconnection Requests beginning [Transmission Provider to provide a Month and Date number of Calendar Days].~~

~~after the conclusion of the transition process set out in Section 5.1 of this LGIP For and successive Cluster Request Windows, Transmission Provider shall announce the date for the commencement of the Cluster Study and the opening of the Cluster Request Window in a notice posted on OASIS and within the TANC Interconnection Guide, as posted on Transmission Provider's OASIS. Transmission Provider will provide Interconnection Customers with no less than one hundred eighty (180) Calendar Days of advance notice of the start date of each Cluster Study and opening of the Cluster Request Window. Transmission Provider shall use Reasonable Efforts to conduct its Cluster Study on a biennial basis. Transmission Provider may in its sole discretion conduct a Cluster Study sooner than biennially. shall open annually every [Transmission Provider to provide Month and Day to 2 January] thereafter~~

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#### **3.4.13.4.2 Initiating an Interconnection Request.**

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

~~(i) a \$10,000 deposit, applicable study deposit amount, pursuant to Section 3.1.1.1 of this LGIP,~~

~~(i) \_\_\_\_\_~~

~~(ii) a completed application in the form of Appendix 1, and~~

~~(ii) \_\_\_\_\_~~

~~(iii) (iii) demonstration of no less than ninety percent (90%) Site Control, which shall be accompanied by a signed affidavit from an officer of the company indicating that the company possesses Site Control. Alternatively, the Interconnection Customer may provide: 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. (1) a signed affidavit from an officer of the company indicating that Site Control is unobtainable due to regulatory limitations as such term is defined by Transmission Provider; and (2) documentation sufficiently describing and explaining the source and effects of such regulatory limitations, including a description of any conditions that must be met to satisfy the regulatory~~

limitations and the anticipated time by which Interconnection Customer expects to satisfy the regulatory requirements; and (3) a deposit in lieu of Site Control of \$10,000 per MW, subject to a minimum of \$500,000 and a maximum of \$2,000,000. Interconnection Requests from multiple Interconnection Customers for multiple Generating Facilities that share a site must include a contract or other agreement that allows for shared land use.

(iii)

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

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

(vi) ~~(vi)~~ A Commercial Readiness Deposit equal to two times the study deposit described in Section 3.1.1.1 of this LGIP in the form of an irrevocable letter of credit, cash, a surety bond, or other form of security that is reasonably acceptable to Transmission Provider. This Commercial Readiness Deposit is refunded to Interconnection Customer according to Section 3.7 of this LGIP.

(vii) ~~(vii)~~ A Point of Interconnection, and

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

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

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

The expected In-Service Date of the new Large Generating Facility or increase in capacity of the existing Generating Facility shall be no more than the process window for the regional expansion planning period (or in the absence of a regional planning process, the process window for Transmission Provider's expansion planning period) not to exceed seven (7) 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 (10) years, or longer where Interconnection Customer and Transmission Provider agree, such agreement not to be unreasonably withheld.

#### **3.4.23.4.3 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.

#### **3.4.33.4.4 Deficiencies in Interconnection Request.**

An Interconnection Request will not be considered to be a valid request until all items in Section 3.4.~~24~~ of this LGIP have been received by Transmission Provider during the Cluster Request Window. If an Interconnection Request fails to meet the requirements set forth in Section 3.4.~~24~~, Transmission Provider shall make Reasonable Efforts to notify Interconnection Customer within five (5) Business Days of receipt of the initial Interconnection Request of the reasons for such failure and that the Interconnection Request does not constitute a valid request. Interconnection Customer shall provide Transmission Provider the additional requested information needed to constitute a valid request within ten (10) Business Days after receipt of such notice. At any time, if Transmission Provider finds that the technical data provided by Interconnection Customer is incomplete or contains errors, Interconnection Customer and Transmission Provider shall work expeditiously and in good faith to remedy such issues. In the event that Failure by Interconnection Customer fails to comply with this Section 3.4.~~43~~ of this LGIP, Transmission Provider shall deem the Interconnection Request withdrawn (without the cure period provided under Section 3.7 of this LGIP), the application

fee is forfeited to Transmission Provider, and the study deposit and Commercial Readiness Deposit shall be returned to Interconnection Customer~~treated in accordance with Section 3.7.~~

### **3.4.5 Customer Engagement Window.**

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

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

#### **3.4.43.4.6 Cluster Study Scoping Meeting.**

~~Within ten (10) Business Days after receipt of a valid Interconnection Request, During the Customer Engagement Window, Transmission Provider shall establish a date agreeable to hold a Scoping Meeting with all Interconnection Customers whose valid Interconnection Requests were received in that Cluster Request Window. 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 Cluster Study Scoping Meeting shall be to discuss alternative interconnection options, to exchange information including any transmission data and earlier study evaluations that would reasonably be expected to impact such interconnection options, to discuss the Cluster Study materials posted to OASIS pursuant to Section 3.5 of this LGIP, if applicable, and to analyze such information, and to determine the potential feasible Points of Interconnection. Transmission Provider and Interconnection Customer(s) will bring to the meeting such technical data, including, but not limited to: i) general facility loadings, ii) general instability issues, iii) general short circuit issues, (iv) general voltage issues, and (v) general reliability issues as may be reasonably required to accomplish the purpose of the meeting. Transmission Provider and Interconnection Customer(s) will also bring to the meeting personnel and other resources as may be reasonably required to accomplish the purpose of the meeting in the time allocated for the meeting. On the basis of the meeting, Interconnection Customer(s) shall designate its Point of Interconnection, ~~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. If the Cluster Study Scoping Meeting consists of more than one Interconnection Customer, Transmission Provider shall issue, no later than fifteen (15) Business Days after the commencement of the Customer Engagement Window, and Interconnection Customer shall execute a non-disclosure agreement prior to a group Cluster Study Scoping Meeting, which will provide for confidentiality of identifying commercially sensitive information pertaining to any other Interconnection Customers.

### **3.5 OASIS Posting.**

#### **3.4.53.5.1 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,](#) ~~t~~The list will not disclose the identity of Interconnection Customer until Interconnection Customer executes an LGIA. Before holding a Scoping Meeting with its Affiliate, Transmission Provider shall post on OASIS an advance notice of its intent to do so. Transmission Provider shall post to its OASIS site any deviations from the study timelines set forth herein. Interconnection Study reports and Optional Interconnection Study reports shall be posted to Transmission Provider's OASIS site subsequent to the meeting between Interconnection Customer and Transmission Provider to discuss the applicable study results. Transmission Provider shall also post any known deviations in the Large Generating Facility's In-Service Date.

### **3.4.6.3.5.2 Requirement to Post Interconnection Study Metrics.**

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

#### **3.4.6.13.5.2.1 Interconnection ~~Cluster Study Feasibility Studies~~ Processing Time.**

- (A) Number of Interconnection Requests that had [Cluster Interconnection Feasibility Studies](#) completed within Transmission Provider's coordinated region during the reporting quarter,
- (B) Number of Interconnection Requests that had [Cluster Interconnection Feasibility Studies](#) completed within Transmission Provider's coordinated region during the reporting quarter that were completed more than [one hundred fifty \(150\)](#) ~~forty-five (45)~~ Calendar Days after ~~the close of the Customer Engagement Window~~ ~~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 [Cluster Interconnection Feasibility Studies](#) where such

Interconnection Requests had executed a Cluster Interconnection Feasibility Study Agreements received by Transmission Provider more than one hundred fifty (150) forty five (45) Calendar Days before the reporting quarter end,

(D) Mean time (in days), Cluster Interconnection Feasibility Studies completed within Transmission Provider's coordinated region during the reporting quarter, from the commencement of the Cluster Study to the date when Transmission Provider provided the completed Cluster Study ~~received the executed Interconnection Feasibility Study Report Agreement to the date when Transmission Provider provided the completed Interconnection Feasibility Study to the~~ Interconnection Customer,

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

~~(E)~~(F) Percentage of Cluster Interconnection Feasibility Studies exceeding one hundred fifty (150) forty five (45) Calendar Days to complete this reporting quarter, calculated as the sum of 3.5.2.1(B) plus 3.5.2.1(C) divided by the sum of 3.5.2.1(A) plus 3.5.2.1(C) of this LGIP.

#### 3.4.6.23.5.2.2 Interconnection System Impact Cluster ResStudies Processing Time.

(A) Number of Interconnection Requests that had Interconnection System Impact Studies Cluster Restudies completed within Transmission Provider's coordinated region during the reporting quarter,

~~(B)~~ Number of Interconnection Requests that had Interconnection System Impact Studies Cluster Restudies completed within Transmission Provider's coordinated region during the reporting quarter that were completed more than one hundred fifty (150) ninety.

~~(C)~~(B) (90) Calendar Days after receipt by Transmission Provider notifies of the Interconnection Customer's in the Cluster that a Cluster Restudy is required pursuant to Section 7.5.(4) of this

~~LGIP executed Interconnection System Impact Study Agreement,~~

~~(D)(C)~~ At the end of the reporting quarter, the number of active valid Interconnection Requests with ongoing incomplete Cluster Restudies ~~Interconnection System Impact Studies~~ where Transmission Provider notified such Interconnection Customers in the Cluster that a Cluster Restudy is required pursuant to Section 7.5(4) of this LGIP more than one hundred fifty (150) Requests had executed Interconnection System Impact Study Agreements received by Transmission Provider more than ninety (90) Calendar Days before the reporting quarter end,

~~(D)~~ Mean time (in days), Cluster Restudies ~~Interconnection System Impact Studies~~ completed within Transmission Provider's coordinated region during the reporting quarter, from the date when Transmission Provider notifies Interconnection Customers in the Cluster that a Cluster Restudy is required pursuant to Section 7.5(4) of this LGIP received the executed Interconnection System Impact Study Agreement to the date when Transmission Provider provided the completed Cluster Restudy Report ~~Interconnection System Impact Study~~ to the Interconnection Customer,

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

~~(F)~~ Percentage of Cluster Restudies ~~Interconnection System Impact Studies~~ exceeding one hundred fifty (150) ninety (90) Calendar Days to complete this reporting quarter, calculated as the sum of 3.5.2.2(~~Bb~~) plus 3.5.2.2(~~Ce~~) divided by the sum of 3.5.2.2(~~Aa~~) plus 3.5.2.2(~~Ce~~) of this LGIP.

~~3.4.6.3.5.2.3~~ **Interconnection Facilities Studies Processing Time.**  
~~Interconnection Facilities Studies Processing Time.~~

(A) Number of Interconnection Requests that had Interconnection Facilities Studies that are completed within Transmission

Provider's coordinated region during the reporting quarter ~~and tendered to the Interconnection Customer in draft form,~~

- (B) Number of Interconnection Requests that had Interconnection Facilities Studies that are completed within Transmission Provider's coordinated region during the reporting quarter that were completed ~~and tendered to the Interconnection Customer in draft form~~ more than ~~ninety (90) or~~ one hundred eighty (180) Calendar Days, ~~as appropriate for that study,~~ after receipt by Transmission Provider of ~~the~~ Interconnection Customer's executed Interconnection Facilities Study Agreement,
- (C) At the end of the reporting quarter, the number of active valid Interconnection Service requests with ongoing incomplete Interconnection Facilities Studies where such Interconnection Requests had executed Interconnection Facilities Studies Agreement received by Transmission Provider more than ~~ninety (90) or~~ one hundred eighty (180) Calendar Days, ~~as appropriate for that study,~~ before the reporting quarter end,
- (D) Mean time (in days), for Interconnection Facilities Studies completed within Transmission Provider's coordinated region during the reporting quarter, calculated from the date when Transmission Provider received the executed Interconnection Facilities Study Agreement to the date when Transmission Provider provided the completed ~~draft~~ Interconnection Facilities Study to ~~the~~ Interconnection Customer,
- ~~(E)~~ Mean time (in days), Interconnection Facilities Studies completed within Transmission Provider's coordinated region during the reporting quarter, from the close of the Cluster Request Window to the date when Transmission Provider provided the completed Interconnection Facilities Study to Interconnection Customer,
- ~~(E)~~(F) Percentage of delayed Interconnection Facilities Studies this reporting quarter, calculated as the sum of 3.5.2.3(~~EB~~) plus 3.5.2.3(~~CE~~) divided by the sum of 3.5.2.3(~~AE~~) plus 3.5.2.3(~~CE~~).

~~3.4.6.4~~3.5.2.4 ~~Interconnection Service Requests~~  
~~Withdrawn from Interconnection Queue.~~

- ~~(A)~~ 3.5.2.4.1 Number ~~of~~ Interconnection ~~Requests~~ withdrawn from Transmission Provider's interconnection queue during the reporting quarter,

~~(A)~~

~~3.5.2.4.1~~

~~(B) 3.5.2.4.2~~ Number of Interconnection Requests withdrawn from Transmission Provider's interconnection queue during the reporting quarter before completion of any ~~I~~nterconnection ~~S~~tudies or execution of any ~~I~~nterconnection ~~S~~tudy ~~A~~greements,

~~(B)~~

~~(C) 3.5.2.4.3~~ Number of Interconnection Requests withdrawn from Transmission Provider's interconnection queue during the reporting quarter before completion of ~~a Cluster an Interconnection System Impact~~ Study,

~~(D) 3.5.2.4.4~~ Number of Interconnection Requests withdrawn from Transmission Provider's interconnection queue during the reporting quarter before completion of an Interconnection Facilities Study,

~~(E) 3.5.2.4.5~~ Number of Interconnection Requests withdrawn from Transmission Provider's interconnection queue after ~~completion of an Interconnection Facilities Study but before~~ execution of ~~an LGIA~~ generator interconnection agreement,

~~(F) Number of Interconnection Requests withdrawn from Transmission Provider's interconnection queue after execution of an LGIA.~~

~~3.5.2.4.6~~~~(G)~~ Mean time (in days), for all withdrawn Interconnection Requests, from the date when the request was determined to be valid to when Transmission Provider received the request to withdraw from the queue.

### 3.5.3

Transmission Provider is required to post on OASIS or its website the measures in paragraph 3.5.2.1(~~a~~A) through paragraph 3.5.2.4(~~f~~F) for each calendar quarter within thirty (30) Calendar Days of the end of the calendar quarter. If the 30-Calendar-Day deadline falls on a non-Business Day, Transmission Provider shall post the metrics on the first Business Day following the day the metrics would otherwise be due. Transmission Provider will keep the quarterly measures posted on OASIS or its website for three calendar years with the first required report to be for the first quarter of calendar year 2023. If Transmission Provider retains this

information on its website, a link to the information must be provided on Transmission Provider's OASIS site.

#### 3.4.73.5.4

In the event that any of the values calculated in paragraphs 3.5.2.1(Fe), 3.5.2.2(eF) or 3.5.2.3(Fe) exceeds ~~twenty-five~~ 25 percent (25%) for two (2) 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(Fe), 3.5.2.2(Fe) or 3.5.2.3(Fe) exceeding ~~25~~ ~~twenty-five~~ percent (25%) for two (2) consecutive calendar quarters:

- (i) Transmission Provider must post on the OASIS a report describing the reason for each Cluster Study, Cluster Restudy, or individual Facilities Study ~~study or group of clustered studies~~ pursuant to ~~one or more~~ Interconnection Request(s) that exceeded its deadline (i.e., ~~150, 45, 90 or~~ 180 Calendar Days) for completion (~~excluding any allowance for Reasonable Efforts~~). Transmission Provider must describe the reasons for each study delay and any steps taken to remedy these specific issues and, if applicable, prevent such delays in the future.
- (ii) Transmission Provider shall aggregate the total number of employee-hours and third party consultant hours expended towards interconnection studies within its coordinated region that quarter and post on OASIS or its website. If Transmission Provider posts this information on its website, a link to the information must be provided on Transmission Provider's OASIS site. This information is to be posted within thirty (30) Calendar Days of the end of the calendar quarter.

### 3.6 Coordination with Affected Systems.

Transmission Provider will coordinate the conduct of any studies required to determine the impact of the Interconnection Request on Affected Systems with Affected System Operators ~~and, if possible, include those results (if available) in its applicable Interconnection Study within the time frame specified in this LCIP. Transmission Provider will include such Affected System Operators in all meetings held with Interconnection Customer as required by this LCIP.~~ Interconnection Customer will cooperate with Transmission Provider ~~and Affected System Operator~~ in all matters related to the conduct of studies and the determination of modifications to Affected Systems.

A Transmission Provider whose system may be impacted by a proposed interconnection on another transmission provider's transmission system 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 Transmission Provider's Transmission System~~Affected Systems~~.

### **3.6.1 Initial Notification.**

Transmission Provider must notify Affected System Operator of a potential Affected System impact caused by an Interconnection Request within ten (10) Business Days of the completion of the Cluster Study or, if the potential Affected System impact is only determined in the Cluster Restudy, the completion of the Cluster Restudy.

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

### **3.6.2 Notification of Cluster Restudy.**

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

### **3.6.3 Notification of Cluster Restudy Completion.**

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

## **3.7 Withdrawal.**

Interconnection Customer may withdraw its Interconnection Request at any time by written notice of such withdrawal to Transmission Provider. In addition, if Interconnection Customer fails to adhere to all requirements of this LGIP, except as provided in Section 13.5 (Disputes), Transmission Provider shall deem the Interconnection Request to be withdrawn and shall provide written notice to Interconnection Customer of the deemed withdrawal and an explanation of the reasons for such deemed withdrawal. Upon receipt of such written notice,

Interconnection Customer shall have fifteen (15) Business Days in which to either respond with information or actions that cures the deficiency or to notify Transmission Provider of its intent to pursue Dispute Resolution.

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. ~~Further, withdrawal shall also result in the loss of any non-refundable deposits any amounts for the processing of the interconnection request, including studies or meetings that, in whole or in part, occurred prior to the withdrawal.~~

If Interconnection Customer withdraws its Interconnection Request or is deemed withdrawn by Transmission Provider under Section 3.7 of this LGIP, Transmission Provider shall (i) update the OASIS Queue Position posting, (ii) impose the Withdrawal Penalty described in Section 3.7.1 of this LGIP, and (iii) refund to Interconnection Customer any portion of the refundable portion of Interconnection Customer's deposit or study deposit payment that exceeds the costs that Transmission Provider has incurred. Transmission Provider shall also refund any portion of the Commercial Readiness Deposit not applied to the Withdrawal Penalty and, if applicable, the deposit in lieu of site control. In the event of such withdrawal, Transmission Provider, subject to the confidentiality provisions of Section 13.1 of this LGIP, 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.

### **3.7.1 Withdrawal Penalty**

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

identified in Interconnection Customer's preceding Cluster Study Report or Cluster Restudy Report; or (3) Interconnection Customer withdraws after receiving Interconnection Customer's Interconnection Facilities Study Report and the Network Upgrade costs assigned to the Interconnection Request identified in that report have increased by more than one hundred percent (100%) compared to costs identified in the Cluster Study Report or Cluster Restudy Report.

### **3.7.1.1 Calculation of the Withdrawal Penalty.**

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

- (a) If Interconnection Customer withdraws or is deemed withdrawn during the Cluster Study or after receipt of a Cluster Study Report, but prior to commencement of the Cluster Restudy or Interconnection Facilities Study if no Cluster Restudy is required, Interconnection Customer shall be charged two (2) times its actual allocated cost of all studies performed for Interconnection Customers in the Cluster up until that point in the Interconnection Study process.
- (b) If Interconnection Customer withdraws or is deemed withdrawn during the Cluster Restudy or after receipt of any applicable restudy reports issued pursuant to Section 7.5 of this LGIP, but prior to commencement of the Interconnection Facilities Study, Interconnection Customer shall be charged five percent (5%) its estimated Network Upgrade costs.
- (c) If Interconnection Customer withdraws or is deemed withdrawn during the Interconnection Facilities Study, after receipt of the Interconnection Facilities Study Report issued pursuant to Section 8.3 of this LGIP, or after receipt of the draft LGIA but before Interconnection Customer has executed an LGIA, and has satisfied the other requirements described in Section 11.3 of this LGIP (i.e., Site Control demonstration, LGIA Deposit, reasonable evidence of one or more milestones in the development of the Generating

Facility), Interconnection Customer shall be charged ten percent (10%) its estimated Network Upgrade costs.

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

### **3.7.1.2 Distribution of the Withdrawal Penalty.**

#### **3.7.1.2.1 Initial Distribution of Withdrawal Penalties Prior to Assessment of Network Upgrade Costs Previously Shared with Withdrawn Interconnection Customers in the Same Cluster**

For a single Cluster, Transmission Provider shall hold all Withdrawal Penalty funds until all Interconnection Customers in that Cluster have either: (1) withdrawn or been deemed withdrawn; or (2) executed an LGIA. Any Withdrawal Penalty funds collected from the Cluster shall first be used to fund studies conducted under the Cluster Study Process for Interconnection Customers in the same Cluster that have executed the LGIA. Next, after the Withdrawal Penalty funds are applied to relevant study costs in the same Cluster, Transmission Provider will apply the remaining Withdrawal Penalty funds to reduce net increases, for Interconnection Customers in the same Cluster, in Interconnection Customers' Network Upgrade cost assignment and associated financial security requirements under Article 11.5 of the *pro forma* LGIA attributable to the impacts of withdrawn Interconnection Customers that shared an obligation with the remaining Interconnection Customers to fund a Network Upgrade, as described in more detail in Sections 3.7.1.2.3 and 3.7.1.2.4. The total amount of funds used to fund these studies under the Cluster Study Process or those applied to any net increases in Network Upgrade costs for Interconnection Customers in the same Cluster shall not exceed the total amount of Withdrawal Penalty funds collected from the Cluster.

Withdrawal Penalty funds shall first be applied as a refund to invoiced study costs for Interconnection Customers in the same Cluster that did not withdraw within thirty (30) Calendar Days of such Interconnection Customers executing their LGIA. Distribution of Withdrawal Penalty funds within one specific Cluster for study costs shall not exceed the total actual Cluster Study Process costs for the Cluster. Withdrawal Penalty funds applied to study costs shall be allocated within the same Cluster to Interconnection Customers in a manner consistent with Transmission Provider's method in Section 13.3 of this LGIP for allocating the costs of Interconnection Studies conducted on a clustered basis. Transmission Provider shall post the balance of Withdrawal Penalty funds held by Transmission Provider but not yet dispersed on its OASIS site and update this posting within 45 Calendar Days after all Interconnection Customers in that same Cluster have either: (1) withdrawn or been deemed withdrawn; or (2) executed an LGIA.

If an Interconnection Customer withdraws after it executes its LGIA, Transmission Provider shall first apply such Interconnection Customer's Withdrawal Penalty funds to any restudy costs required due to Interconnection Customer's withdrawal as a credit to as-yet-to be invoiced study costs to be charged to the remaining Interconnection Customers in the same Cluster in a manner consistent with Transmission Provider's method in Section 13.3 of this LGIP for allocating the costs of Interconnection Studies conducted on a clustered basis. Distribution of the Withdrawal Penalty funds for such restudy costs shall not exceed the total actual restudy costs.

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

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

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

If Transmission Provider's assessment determines that there are no shared cost assignments for any Network Upgrades in the same Cluster for the withdrawn Interconnection Customer, or determines that the withdrawn Interconnection Customer's withdrawal did not cause a net increase in the shared cost assignment for any remaining Interconnection Customers' Network Upgrade(s) in the same Cluster, Transmission Provider will return any remaining Withdrawal Penalty funds to the withdrawn Interconnection Customer(s). Such remaining Withdrawal Penalty funds will be returned to withdrawn Interconnection Customers based on the proportion of each withdrawn Interconnection Customer's contribution to the total amount of Withdrawal Penalty funds collected for the Cluster (i.e., the total amount before the initial disbursement required under Section 3.7.1.2.1 of this LGIP). Transmission Provider must make such disbursement within ninety (90) Calendar Days of the date on which all Interconnection Customers in the same Cluster have either: (1) withdrawn or been deemed withdrawn; or (2) executed an LGIA. For the withdrawn Interconnection Customers that Transmission Provider determines have caused a net increase in the shared cost assignment for one or more Network Upgrade(s) in the same Cluster under Section 3.7.1.2.3(a) of this LGIP, Transmission Provider will determine each such withdrawn Interconnection Customers' Withdrawal Penalty funds remaining balance that will be applied toward net increases in Network Upgrade shared costs calculated under Sections 3.7.1.2.3(a) and 3.7.1.2.3(b) of this LGIP based on each such withdrawn Interconnection Customer's proportional contribution to the total amount of Withdrawal Penalty funds collected for the same Cluster (i.e., the total amount before the initial disbursement requirement under Section 3.7.1.2.1 of this LGIP).

If Transmission Provider's assessment determines that there are shared cost assignments for Network Upgrades in the same Cluster, Transmission Provider will calculate the remaining Interconnection Customers' net increase in cost assignment for Network Upgrades due to a shared cost assignment for Network

Upgrades with the withdrawn Interconnection Customer and distribute Withdrawal Penalty funds as described in Section 3.7.1.2.3, depending on whether the withdrawal occurred before the withdrawing Interconnection Customer executed the LGIA, as described in Section 3.7.1.2.3(a) of this LGIP, or after such execution, as described in Section 3.7.1.2.3(b) of this LGIP.

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

### **3.7.1.2.3 Impact Calculations.**

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

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

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

First, Transmission Provider must determine which withdrawn Interconnection Customers shared an obligation to fund Network Upgrades with Interconnection Customers from the same Cluster that have LGIAs that are executed. Next, Transmission Provider shall perform the calculation of the financial impact of a withdrawal on another Interconnection Request in the same Cluster by performing a comparison of the Network Upgrade cost estimates between each of the following:

(1) Cluster Study phase to Cluster Restudy phase (if Cluster Restudy was necessary);

(2) Cluster Restudy phase to Interconnection Facilities Study phase (if a Cluster Restudy was necessary);

(3) Cluster Study phase to Interconnection Facilities Study phase (if no Cluster Restudy was performed);

(4) Interconnection Facilities Study phase to any subsequent restudy that was performed before the execution of an LGIA;

(5) The Interconnection Facilities Study reflected in the executed LGIA to any subsequent restudy conducted after the execution of an LGIA).

If, based on the above calculations, Transmission Provider determines:

(i) that the costs assigned to an Interconnection Customer in the same Cluster for Network Upgrades that a withdrawn Interconnection Customer shared cost assignment for increased between any two studies, and

(ii) after the impacted Interconnection Customer's LGIA was executed, Interconnection Customer's cost assignment for the relevant Network Upgrade is greater than it was prior to the withdrawal of Interconnection Customer in the same Cluster that shared cost assignment for the Network Upgrade,

then Transmission Provider shall apply the withdrawn Interconnection Customer's Withdrawal Penalty funds that has not already been applied to study costs in the amount of the financial

impact by reducing, in the same Cluster, the remaining Interconnection Customer's Network Upgrade costs and associated financial security requirements under Article 11.5 of the *pro forma* LGIA.

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

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

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

Transmission Provider will determine the financial impact on the remaining Interconnection Customers in the same Cluster within sixty (60) Calendar Days after the withdrawal occurs. Transmission Provider will determine that financial impact by comparing the Network Upgrade cost funding obligations Interconnection Customers shared with the withdrawn Interconnection Customer before the withdrawal of Interconnection Customer and after the withdrawal of Interconnection Customer. If that comparison indicates an increase in Network Upgrade costs for an Interconnection Customer, Transmission Provider shall apply the withdrawn Interconnection Customer's Withdrawal Penalty funds to the increased costs each impacted Interconnection Customer in the same Cluster experienced associated with such Network Upgrade(s) in proportion to each Interconnection Customer's

increased cost assignment, as determined by Transmission Provider.

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

Within ninety (90) Calendar Days of all Interconnection Customers in the same Cluster having: (1) withdrawn or been deemed withdrawn; or (2) executed an LGIA, Transmission Provider must perform the calculations described in Section 3.7.1.2.3(a) of this LGIP and provide such Interconnection Customers with an amended LGIA that provides the reduction in Network Upgrade cost assignment and associated reduction to Interconnection Customer's financial security requirements, under Article 11.5 of the *pro forma* LGIA, due from Interconnection Customer to Transmission Provider.

Where an Interconnection Customer executes the LGIA and is later withdrawn or its LGIA is terminated, Transmission Provider must, within ninety (90) Calendar Days of such withdrawal or termination, perform the calculations described in Section 3.7.1.2.3(b) of this LGIP and provide such Interconnection Customers in the same Cluster with an amended LGIA that provides the reduction in Network Upgrade cost assignment and associated reduction to Interconnection Customer's financial security requirements, under Article 11.5 of the *pro forma* LGIA, due from Interconnection Customer to Transmission Provider.

Any repayment by Transmission Provider to Interconnection Customer under Article 11.4 of the *pro forma* LGIA of amounts advanced for Network Upgrades after the Generating Facility achieves Commercial Operation shall be limited to Interconnection Customer's total amount of Network Upgrade costs paid and associated financial security provided to Transmission Provider under Article 11.5 of the *pro forma* LGIA.

**3.7.1.2.5 Final Distribution of Withdrawal Penalty Funds.**

If Withdrawal Penalty funds remain for the Cluster after the Withdrawal Penalty funds are applied to relevant study costs and net increases in shared cost assignments for Network Upgrades to remaining Interconnection Customers, Transmission Provider will

return any remaining Withdrawal Penalty funds to the withdrawn Interconnection Customers in the same Cluster net of the amount of each withdrawn Interconnection Customer's Withdrawal Penalty funds applied to study costs and net increases in shared cost assignments for Network Upgrades to remaining Interconnection Customers.

### **3.73.8 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 Cluster 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 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. As part of the Interconnection System Impact Study, Transmission Provider shall identify Contingent Facilities using the following methods:

(1) Review all additions, modifications, and upgrades to Transmission Provider's Transmission System that are part of Transmission Provider's transmission expansion plan, and facilities identified as Network Upgrades through the Interconnection System Impact Studies for higher-queued Interconnection Requests that are not yet in service. Contingent Facilities shall be identified from this list of facilities that meet the following criteria:

a. Power Transfer Distribution Factor or Outage Transfer Distribution Factor  $\geq 5\%$ ; or

b. MVA impact (Power Transfer Distribution Factor or Outage Transfer Distribution Factor multiplied by generator output of the Interconnection Request)  $\geq 5$ MVA; or

c. MVA impact (Power Transfer Distribution Factor or Outage Transfer Distribution Factor multiplied by generator output of the Interconnection Request)  $\geq 1\%$  of the facility rating.

(2) Coordination with applicable Affected System parties to determine what Contingent Facilities have been identified through Affected System studies based on their respective criteria.

The Contingent Facilities identified for a given Interconnection Request are the total of all facilities through each of the foregoing methods. Interconnection Customer will be provided a list of all Contingent Facilities to be provided to Interconnection Customer at

~~the conclusion of the System Impact Study and included in Interconnection Customer's Large Generator Interconnection Agreement. Transmission Provider shall also provide, upon request of the Interconnection Customer, the estimated Interconnection Facility and/or Network Upgrade costs and estimated in-service completion time of each identified Contingent Facility when this information is readily available and not commercially sensitive.~~

~~;~~

## **Section 4. Interconnection Request Evaluation Process.Queue Position**

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

### **4.1 Queue Position General.**

#### **4.1.1 Assignment of Queue Position.**

Transmission Provider shall assign a Queue Position as follows: the Queue Position within the queue shall be assigned based upon the date and time of receipt of all items required pursuant to the provisions of Section 3.4 of this LGIP. All Interconnection Requests submitted and validated in a single Cluster Request Window shall be considered equally queued. ~~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~~

#### **4.1.2 Higher Queue Position.**

~~A higher Queue Position assigned to an Interconnection Request is one that has been placed "earlier" in the queue in relation to another Interconnection Request that is assigned a lower Queue Position. lower queued. All requests studied in a single Cluster shall be considered equally queued. Interconnection Customers that are part of Clusters initiated earlier in time than an instant Queue shall be considered to have a higher Queue Position than Interconnection Customers that are part of Clusters initiated later than an instant Queue.~~

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

### **4.1 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. 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.~~

### **4.2 General Study Process.**

~~Clustering Interconnection System Impact Interconnection Studies performed within the Cluster Study Process shall be conducted in such a manner to ensure the efficient implementation of the applicable regional transmission expansion plan in light of the Transmission System's capabilities at the time of each study and consistent with Good Utility Practice.~~

~~Transmission Provider may use subgroups in the Cluster Study Process. In all instances in which Transmission Provider elects to use subgroups in the Cluster~~

~~Study Process, Transmission Provider must publish the criteria used to define and determine subgroups on its OASIS or public website.~~

~~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.~~

#### **4.2.1 –Cost Allocation for Interconnection Facilities and Network Upgrades.**

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

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

~~(b) System Network Upgrades shall be allocated based on the proportional impact of each individual Generating Facility in the Cluster Study on the need for a specific System Network Upgrade. Transmission Provider shall include in this section a description of how cost for each facility type designated as a network upgrade will be allocated using its proportional impact method.~~

~~The proportional impact of each individual Generating Facility will be determined by the results of the studies (e.g., PSLF, Steady State, Aspen) undertaken during the Cluster Study to allocate the costs of the System Network Upgrade(s) pro rata to each Generating Facility studied during the Cluster Study which contributed to the need for the particular type of System Network Upgrade(s), including as follows:~~

- ~~i. Voltage support related System Network Upgrades shall be allocated pro rata based on each Generating Facility's contribution to the voltage violation;~~
- ~~ii. Short circuit related System Network Upgrades shall be allocated pro rata based on the short circuit duty contribution of each Generating Facility;~~

- iii. System Network Upgrades required due to thermal overload violations shall be allocated pro rata based on each Generating Facility's contribution to the thermal overload violations; and
- iv. System Network Upgrades required to maintain system stability shall be allocated on a pro rata basis using each Generating Facility's contribution to the system stability violation.

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

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

#### **4.24.3 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. An Interconnection Customer may transfer its Queue Position to another entity only if: (1) such entity acquires the specific Generating Facility identified in the Interconnection Request and neither the maximum interconnection capacity nor the Point of Interconnection change; (2) the transferee assumes all obligations of the original Interconnection Customer under this LGIP; and (3) the Interconnection Customer and transferee both provide Transmission Provider with written notice of their consent to the transfer within thirty (30) Calendar Days of the transfer.

#### **4.34.4 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 of this LGIP, or are determined not to be Material Modifications pursuant to Section 4.4.3 of this LGIP.

Notwithstanding the above, during the course of the Interconnection Studies, either Interconnection Customer or 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 ~~prior to return of the executed Cluster Study Agreement, 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.

~~4.3.14.4.1~~ Prior to the return of the executed ~~Interconnection System Impact Cluster Study Agreement~~ to Transmission Provider, modifications permitted under this Section shall include specifically: a) a decrease of up to 60 percent (60%) of electrical output (MW) of the proposed project, through either (1) a decrease in plant size or (2) a decrease in Interconnection Service level (consistent with the process described in Section 3.1 of this LGIP) accomplished by applying 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 ~~in to the next Cluster Study Request Window end of the queue~~ for the purposes of cost allocation and study analysis.

~~4.3.24.4.2~~ Prior to the return of the executed Interconnection Facilities Study Agreement to Transmission Provider, the modifications permitted under this Section shall include specifically: a) an additional ~~decrease of up to~~ 15 percent (15%) decrease of electrical output of the proposed project, through either (1) a decrease in plant size (MW) or (2) a decrease in Interconnection Service level (consistent with the process described in Section 3.1) accomplished by applying Transmission Provider-approved injection-limiting equipment; b) Large Generating Facility technical parameters associated with modifications to Large Generating Facility technology and transformer impedances; and c) a Permissible Technological Advancement for the Large Generating Facility after the submission of the Interconnection Request. The incremental costs associated with those modifications are the responsibility of the requesting Interconnection Customer. Section 4.4.6 specifies a separate technological change procedure including the requisite information and process that will be followed to assess whether the Interconnection Customer's proposed technological advancement under Section 4.4.2(c) is a Material Modification. Section 1 contains a definition of Permissible Technological Advancement.

— Prior to making any modification other than those specifically permitted by Sections 4.4.1, 4.4.2, and 4.4.5 of this LGIP, Interconnection Customer may first request that 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 [3.1.2 or 4.4.4.1, 6.1, 7.2 of this LGIP](#) or so allowed elsewhere, shall constitute a Material Modification. Interconnection Customer may then withdraw the proposed modification or proceed with a new Interconnection Request for such modification. [Transmission Provider shall study the addition of a Generating Facility that includes at least one electric storage resource using operating assumptions \(i.e., whether the interconnecting Generating Facility will or will not charge at peak load\) that reflect the proposed charging behavior of the Generating Facility as requested by Interconnection Customer, unless Transmission Provider determines that Good Utility Practice, including Applicable Reliability Standards, otherwise requires the use of different operating assumptions.](#)

~~Transmission Providers using fuel-based dispatch assumptions in Interconnection Studies are not required to include Section 4.4.3.1 because it does not apply to them.~~

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

#### 4.4.3

~~4.3.34.4.4~~ 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. [Any such request for modification of the Interconnection Request must be accompanied by any resulting updates to the models described in Attachment A to Appendix 1 of this LGIP.](#)

~~4.3.44.4.5~~ Extensions of less than three (3) cumulative years in the Commercial Operation Date of the Large Generating Facility to which the Interconnection Request relates are not material and should be handled through construction sequencing. [For purposes of this section, the Commercial Operation Date reflected in the initial Interconnection Request shall be used to calculate the permissible extension prior to Interconnection Customer executing an LGIA. After an LGIA is](#)

executed, the Commercial Operation Date reflected in the LGIA shall be used to calculate the permissible extension. Such cumulative extensions may not exceed three years including both extensions requested after execution of the LGIA by Interconnection Customer and those requested prior to execution of the LGIA by Interconnection Customer.

**4.3.54.4.6 Technological Change Procedure.** Prior to the return of an executed Interconnection Facilities Study Agreement, the only modification permitted other than what is allowed per Section 4.4 ~~—Modifications~~ without potentially affecting Interconnection Customer's Queue Position, is a Permissible Technological Advancement. The Technological Change Procedure as outlined below sets forth the requirements for an Interconnection Customer to submit a Permissible Technological Advancement request and Transmission Provider's responsibilities for determining whether Interconnection Customer's proposed technological advancement is a Permissible Technological Advancement.

~~4.3.54.4.6.1~~ If an Interconnection Customer seeks to incorporate a technological advancement into its existing Interconnection Request, Interconnection Customer must submit a Permissible Technological Advancement request to Transmission Provider prior to the return of an executed Interconnection Facilities Study Agreement. As part of its Permissible Technological Advancement request, ~~—~~Interconnection Customer shall provide the following to Transmission Provider:

- a. An updated Interconnection Request for a Large Generating Facility (Appendix 1 to this LGIP) and an updated Attachment A to Appendix 1 to this LGIP, that reflects the data associated with the change in technology or technological advancement that Interconnection Customer seeks to incorporate into its Interconnection Request;
- b. A \$10,000 deposit ~~within five (5) Business Days of being notified that additional studies are necessary;~~
- c. A written description of the proposed technological advancement and supporting data or documentation which demonstrates why the proposed technological advancement meets the definition of a Permissible Technological Advancement; and
- d. Updated power flow and dynamics models ~~in GE PSLF digital format.~~

~~Transmission Provider shall tender a draft Technological Advancement Request and Study Agreement, in the form of Appendix 5 to this LGIP, suitably modified for the project, within five (5) Business Days of receiving Interconnection Customer's valid Technological Advancement request submitted pursuant to Section 4.4.6.1. Interconnection Customer shall return the executed Technological Advancement Request and Study Agreement by no later than five (5) Business Days following receipt of the draft Technological Advancement Request and Study Agreement. Upon receipt of a Permissible Technological Advancement request, Transmission Provider shall, within thirty (30) Calendar Days, determine whether the technological advancement is a Permissible Technological Advancement or a Material Modification. Any additional studies resulting from a proposed technological advancement shall be done at Interconnection Customer's cost.~~

4.4.6.2 After the Interconnection Customer's Technological Advancement request is received pursuant to Section 4.4.6.1, the Transmission Provider will perform an initial analysis to determine whether the proposed technological advancement is a Permissible Technological Advancement without the need of additional study. In addition, as part of the initial analysis, Transmission Provider will review the Technological Advancement request and determine if it can be included in the current Cluster Study/Restudy or must be studied as a separate study outside of the Cluster Study/Restudy process. Such an initial analysis will be performed at the sole expense of the Interconnection Customer. Any difference between the deposit provided under Section 4.4.6.1(b) and the actual cost of conducting such an initial analysis shall be paid to Transmission Provider or refunded to Interconnection Customer, as appropriate, along with an invoice describing any charges.

~~4.3.5.24~~4.4.6.3 If Transmission Provider determines on the basis of its initial analysis that the proposed technological advancement would not change any of the parameters in Appendix 1 of this LGIP, then no further study will be necessary and the proposed technological advancement will be considered a Permissible Technological Advancement. If Transmission Provider's assessment determines that the proposed technological advancement is a Permissible Technological Advancement, Transmission Provider shall notify Interconnection Customer and the Permissible Technological Advancement shall be incorporated into Interconnection Customer's Interconnection Request without the loss of Interconnection Customer's Queue Position.

4.4.6.4 If Transmission Provider determines on the basis of its initial analysis that Interconnection Customer has not demonstrated that the proposed technological advancement is a Permissible Technological Advancement, then Transmission Provider will notify Interconnection Customer in writing that a Technological Advancement Study is required pursuant to the Technological Advancement Request and Study Agreement and Section 4.4.6.5. The Technological Advancement Study will be performed at the sole expense of the Interconnection Customer. Any difference between the deposit provided under Section 4.4.6.1(b) and the actual cost of conducting the Technological Advancement Study shall be paid to Transmission Provider or refunded to Interconnection Customer, as appropriate, along with an invoice describing any charges.

4.4.6.5 (a) ~~The Technological Advancement Study should further studies be required for making a determination of a Material Modification, these Transmission Provider's studies~~ may include steady-state, reactive power, short circuit/fault duty, stability analyses, and any other appropriate studies that Transmission Provider deems necessary to determine whether the proposed technological advancement results in electrical performance that is equal to or better than the electrical performance expected prior to the technology change, ~~and~~ whether such proposed technological advancement causes any reliability concerns, ~~and, if the proposed technological advancement is determined not to be a Permissible Technological Advancement, whether the proposed technological advancement is a Material Modification.~~

(b) Interconnection Customer shall cooperate with Transmission Provider to provide any additional information that Transmission Provider may require to complete the Technological Advancement Study. If the Transmission Provider determines that it requires additional technical information to complete the Technological Advancement Study, Transmission Provider shall notify the Interconnection Customer of the additional technical information required, and Interconnection Customer shall work in good faith with Transmission Provider to promptly provide such information.

(c) Upon completion of the Technological Advancement Study, Transmission Provider shall provide Interconnection Customer notice of its study conclusions. Upon request, Transmission Provider shall also provide Interconnection Customer supporting documentation, workpapers and databases, and/or data developed

in the preparation of the Technological Advancement Study, subject to confidentiality arrangements consistent with Section 13.1.

(d) If the Technological Advancement Study determines that the proposed technological advancement is a Permissible Technological Advancement then the Interconnection Request shall be amended to reflect the technological advancement.

(e) If the Technological Advancement Study determines that the proposed technological advancement is not a Permissible Technological Advancement and constitutes a Material Modification, then Interconnection Customer may withdraw the proposed Material Modification or proceed with a new Interconnection Request for such Material Modification.

~~4.3.5.3 — If Transmission Provider cannot accommodate the proposed technological advancement without triggering the Material Modification provision of this LCIP, Transmission Provider will tender a report with the results of the steady state analyses, reactive power capabilities, short circuit/fault duty impacts, stability analyses, and any other studies that were completed, including an explanation of why the proposed technological advancement is deemed a Material Modification. Once notified, Interconnection Customer may withdraw the proposed modification or proceed with a new Interconnection Request for such modification.~~

~~4.3.5.4 At the conclusion of the study or studies, Transmission Provider will provide an accounting of the actual costs of the study or studies to Interconnection Customer and either refund any of the refundable portion of Interconnection Customer's deposit that exceeds the actual costs that Transmission Provider has incurred, or invoice Interconnection Customer for any shortage of actual costs that exceed Interconnection Customer's deposit.~~

## ~~Section 5. Procedures for Interconnection Requests Submitted Prior to Effective Date of the Cluster Study Revisions Standard Large Generator Interconnection Procedures~~

### ~~5.1 Procedures for Transitioning to the Cluster Study Process Queue Position for Pending Requests.~~

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

~~Any Interconnection Customer that has received a final Interconnection Facilities Study Report before the commencement of the studies under the transition process set forth in this section shall be tendered an LGIA pursuant to Section 11 of this LGIP, and shall not be required to enter this transition process.~~

#### ~~Transitional Serial Study.~~

~~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.~~

~~An Interconnection Customer that has been tendered an Interconnection Facilities Study Agreement as of thirty (30) Calendar Days after [Transmission Provider to insert pending date] (the pending date of this LGIP) may opt to proceed with an Interconnection Facilities Study. Transmission Provider shall tender each eligible Interconnection Customer a Transitional Serial Interconnection Facilities Study Agreement, in the form of Appendix 8 to this LGIP, no later than the effective date of this LGIP. Transmission Provider shall proceed with the Interconnection Facilities Study, provided that the Interconnection Customer: (1) meets each of the following requirements; and (2) executes the Transitional Serial Interconnection Facilities Study Agreement within sixty (60) Calendar Days of the effective date of this LGIP. If an eligible Interconnection Customer does not meet these requirements, its Interconnection Request shall be deemed withdrawn without penalty. Transmission Provider must commence the Transitional Serial Interconnection Facilities Study at the conclusion of this~~

**Commented [SD2]:** Please note that we are removing the transition process procedures and associated appendices since we expect that either TANC's existing interconnection customer will not move forward to the Facilities Study or TANC will extend its queue suspension until after TANC's interconnection customer receives a final Facilities Study Report (since, after a customer receives a final Facilities Study Report, they are not required to enter the transition process). To the extent the interconnection customer proceeds through TANC's interconnection process and TANC implements Order 2023 revisions, we should revisit removal of the transition process, since proceeding through the transition process is the customer's choice.

~~sixty (60) Calendar Day period. Transitional Serial Interconnection Facilities Study costs shall be allocated according to the method described in Section 13.3 of this LGIP.~~

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

~~— A deposit equal to one hundred percent (100%) of the costs identified for Transmission Provider's Interconnection Facilities and Network Upgrades in Interconnection Customer's system impact study report. If Interconnection Customer does not withdraw, the deposit shall be trueed up to actual costs once they are known and applied to future construction costs described in Interconnection Customer's eventual LGIA. Any amounts in excess of the actual construction costs shall be returned to Interconnection Customer within thirty (30) Calendar Days of the issuance of a final invoice for construction costs, in accordance with Article 12.2 of the pro forma LGIA. If Interconnection Customer withdraws or otherwise does not reach Commercial Operation, Transmission Provider shall refund the remaining deposit after the final invoice for study costs and Withdrawal Penalty is settled. The deposit shall be in the form of an irrevocable letter of credit or cash where cash deposits shall be treated according to Section 3.7 of this LGIP.~~

~~— Exclusive Site Control for 100% of the proposed Generating Facility.~~

~~Transmission Provider shall conduct each Transitional Serial Interconnection Facilities Study and issue the associated Transitional Serial Interconnection Facilities Study Report within one hundred fifty (150) Calendar Days of the effective date of this LGIP.~~

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

~~**Transitional Cluster Study:**~~

~~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.~~

~~An Interconnection Customer with an assigned Queue Position as of thirty (30) Calendar Days after Transmission Provider's interconnection queue opening date of this LGIP may opt to proceed with a Transitional Cluster Study. Transmission Provider shall tender each eligible Interconnection Customer a Transitional Cluster Study Agreement, in the form of Appendix 7 to this LGIP, no later than the effective date of this LGIP. Transmission Provider shall proceed with the Transitional Cluster Study that includes each Interconnection Customer that: (1) meets each of the following requirements listed as (1)–(3) in this section; and (2) executes the Transitional Cluster Study Agreement within sixty (60) Calendar Days of the~~

~~effective date of this LGIP. All Interconnection Requests that enter the Transitional Cluster Study shall be considered to have an equal Queue Position that is lower than Interconnection Customer(s) proceeding with Transitional Serial Interconnection Facilities Study. If an eligible Interconnection Customer does not meet these requirements, its Interconnection Request shall be deemed withdrawn without penalty. Transmission Provider must commence the Transitional Cluster Study at the conclusion of this sixty (60) Calendar Day period. All identified Transmission Provider's Interconnection Facilities and Network Upgrade costs shall be allocated according to Section 4.2.1 of this LGIP. Transitional Cluster Study costs shall be allocated according to the method described in Section 4.3.3 of this LGIP. Interconnection Customer may make a one-time extension to its requested Commercial Operation Date upon entry into the Transitional Cluster Study, where any such extension shall not result in a Commercial Operation Date later than December 31, 2027.~~

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

- ~~(1) A selection of either Energy Resource Interconnection Service or Network Resource Interconnection Service, provided however, that TANC has not integrated any generating facilities to serve native load, it is unable to offer or study Network Resource Interconnection Service.~~
- ~~(2) A deposit of five million dollars (\$5,000,000) in the form of an irrevocable letter of credit or cash where cash deposits will be treated according to Section 3.7 of this LGIP. If Interconnection Customer does not withdraw, the deposit shall be reconciled with and applied towards future construction costs described in the LGIA. Any amounts in excess of the actual construction costs shall be returned to Interconnection Customer within thirty (30) Calendar Days of the issuance of a final invoice for construction costs, in accordance with Article 12.2 of the pro forma LGIA. If Interconnection Customer withdraws or otherwise does not reach Commercial Operation, Transmission Provider must refund the remaining deposit once the final invoice for study costs and Withdrawal Penalty is settled.~~
- ~~(3) Exclusive Site Control for 100% of the proposed Generating Facility.~~

~~Transmission Provider shall conduct the Transitional Cluster Study and issue both an associated interim Transitional Cluster Study Report and an associated final Transitional Cluster Study Report. The interim Transitional Cluster Study Report shall provide the following information:~~

- ~~— identification of any circuit breaker short circuit capability limits exceeded as a result of the interconnection;~~
- ~~— identification of any thermal overload or voltage limit violations resulting from the interconnection;~~
- ~~— identification of any instability or inadequately damped response to system disturbances resulting from the interconnection; and~~
- ~~— Transmission Provider's Interconnection Facilities and Network Upgrades that are expected to be required as a result of the Interconnection Request(s) and a non-binding, good faith estimate of cost responsibility and a non-binding, good faith estimated time to construct.~~

~~In addition to the information provided in the interim Transitional Cluster Study Report, the final Transitional Cluster Study Report shall provide a description of, estimated cost of, and schedule for construction of the Transmission Provider's Interconnection Facilities and~~

~~Network Upgrades required to interconnect the Generating Facility to the Transmission System that resolve issues identified in the interim Transitional Cluster Study Report. The interim and final Transitional Cluster Study Reports shall be issued within three hundred (300) and three hundred sixty (360) Calendar Days of the effective date of this LGIP, respectively, and shall be posted on Transmission Provider's OASIS consistent with the posting of other study results pursuant to Section 3.5.1 of this LGIP. Interconnection Customer shall have thirty (30) Calendar Days to comment on the interim Transitional Cluster Study Report, once it has been received. After Transmission Provider issues the final Transitional Cluster Study Report, Interconnection Customer shall proceed pursuant to Section 11 of this LGIP. If Interconnection Customer withdraws its Interconnection Request or if Interconnection Customer's Generating Facility otherwise does not reach Commercial Operation, a Withdrawal Penalty will be imposed on Interconnection Customer equal to nine (9) times Interconnection Customer's total study cost incurred since entering the Transmission Provider's interconnection queue (including the cost of studies conducted under Section 5 of this LGIP).~~

~~5.1.1.1 If an LGIA has been executed by the Parties before the effective date of the LGIP, then the LGIA would be grandfathered.~~

~~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 executed 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 executed, including an unexecuted agreement subject to Dispute Resolution under Section 11 below; 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.~~

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

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

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

## **5.2 Section 5. 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 under Section 11 below ~~that service commence to proceed under an unexecuted LGIA~~ ~~subject~~ to Dispute Resolution, unless otherwise provided, Interconnection Customer must complete negotiations with the successor Transmission Provider.

## Section 6. ~~Reserved Interconnection Information Access Feasibility Study~~

### 6.1 ~~Publicly Posted Interconnection Information Feasibility Study Agreement.~~

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

~~Simultaneously with the acknowledgement of a valid Interconnection Request, the Transmission Provider shall provide to Interconnection Customer an Interconnection Feasibility Study Agreement in the form of Appendix 2. The Interconnection Feasibility Study Agreement shall specify that Interconnection Customer is responsible for the actual cost of the Interconnection Feasibility Study. Within five (5) Business Days following the Scoping Meeting Interconnection Customer shall specify for inclusion in the attachment to the Interconnection Feasibility Study Agreement the Point(s) of Interconnection and any reasonable alternative Point(s) of Interconnection. 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 deliver to Transmission Provider the Interconnection Feasibility Study Agreement along with a deposit as identified in Appendix 2 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 under Section 11 below the initiation of service under an unexecuted~~

~~LGIA, subject to Dispute Resolution. 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 sixty (60) 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 in writing. Such Re-Study shall take no 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. Cluster Interconnection System Impact Study

### ~~7.1~~ Interconnection System Impact Cluster Study Agreement.

#### 7.1

~~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, No later than five (5) Business Days after the close of a Cluster Request Window, Transmission Provider shall tender provide to each Interconnection Customer that submitted a valid an Interconnection Request System Impact a Cluster Study Agreement in the form of Appendix 23 to this LGIP. The Cluster Interconnection System Impact Study Agreement shall require provide that Interconnection Customer to shall compensate Transmission Provider for the actual cost of the Cluster Interconnection System Impact Study pursuant to Section 13.3 of this LGIP. The specifications, assumptions, or other provisions in the appendices of the Cluster Study Agreement provided pursuant to Section 7.1 of this LGIP shall be subject to change by Transmission Provider following the conclusion of the Scoping Meeting. 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.~~

~~Interconnection Customer shall be invoiced on a monthly basis for the work to be conducted on the Cluster Study each month for work performed each month above the study deposit. Interconnection Customer shall pay invoiced amounts within thirty (30) Calendar Days of receipt of invoice.~~

#### 7.2

### **7.2 Execution of Cluster Interconnection System Impact Study Agreement.**

~~Interconnection Customer shall execute the Cluster Interconnection System Impact Study Agreement and deliver the executed Cluster Interconnection System Impact Study Agreement to Transmission Provider no later the close of the Customer Engagement Window than thirty (30) Calendar Days after its receipt along with demonstration of Site Control, and a deposit as identified in Appendix 3.~~

If Interconnection Customer does not provide all ~~required such~~ technical data when it delivers the ~~Cluster 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 ~~Cluster 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 ~~Cluster Interconnection System Impact~~ Study Agreement or ~~study~~ 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 ~~Cluster Interconnection System Impact~~ Study.

The ~~Cluster Interconnection System Impact~~ Study shall evaluate the impact of the proposed interconnection on the reliability of the Transmission System. The ~~Cluster 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 ~~Cluster 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 ~~the initiation of service pursuant to Section 11 under an unexecuted LGIA, subject to Dispute Resolution with respect to a draft LGIA.-~~

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

The ~~Cluster Interconnection System Impact~~ Study will consist of ~~a short circuit analysis power flow, a stability analysis, and short circuit a power flow analysis,~~

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

For purposes of determining necessary Interconnection Facilities and Network Upgrades, the Cluster Study shall use operating assumptions (i.e., whether the interconnecting Generating Facility will or will not charge at peak load) that reflect the proposed charging behavior of a Generating Facility that includes at least one electric storage resource as requested by Interconnection Customer, unless Transmission Provider determines that Good Utility Practice, including Applicable Reliability Standards, otherwise requires the use of different operating assumptions. Transmission Provider may require the inclusion of control technologies sufficient to limit the operation of the Generating Facility per the operating assumptions as set forth in the Interconnection Request and to respond to dispatch instructions by Transmission Provider. As determined by Transmission Provider, Interconnection Customer may be subject to testing and validation of those control technologies consistent with Article 6 of the LGIA.

~~the Interconnection 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.~~

The Cluster Study shall evaluate the use of static synchronous compensators, static VAR compensators, advanced power flow control devices, transmission switching, synchronous condensers, voltage source converters, advanced conductors, and tower lifting. Transmission Provider shall evaluate each identified

alternative transmission technology and determine whether the above technologies should be used, consistent with Good Utility Practice, Applicable Reliability Standards, and Applicable Laws and Regulations. Transmission Provider shall include an explanation of the results of Transmission Provider's evaluation for each technology in the Cluster Study Report.

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

#### **7.4 Cluster Interconnection System Impact Study Procedures**

Transmission Provider shall coordinate the Cluster Interconnection System Impact Study with any Affected System Operator that is affected by the Interconnection Request pursuant to Section 3.6- of this LGIP above. Transmission Provider shall utilize existing studies to the extent practicable when it performs the Cluster Study. Interconnection Requests for a Cluster Study may be submitted only within the Cluster Request Window and Transmission Provider shall use Reasonable Efforts to complete the Interconnection System Impact Study within one hundred twenty (120) 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 also within one hundred twenty (120) Calendar Days after the close of the Queue Cluster Window initiate the Cluster Study Process pursuant to Section 7 of this LGIP.

Transmission Provider shall complete the Cluster Study within one hundred fifty (150) Calendar Days of the close of the Customer Engagement Window. If Transmission Provider is unable to complete the Cluster Study within the requisite time period, it shall notify Interconnection Customer(s) and shall provide an estimated completion date with an explanation of the reasons why additional time is required.

Within ten (10) Business Days of simultaneously furnishing a Cluster Study Report to each Interconnection Customer within the Cluster and posting such report on OASIS, Transmission Provider shall convene a Cluster Study Report Meeting.

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 Cluster Interconnection System Impact Study, Transmission Provider shall notify Interconnection Customer as to the schedule status of the Cluster Interconnection

~~System Impact Study~~. If Transmission Provider is unable to complete the Cluster 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 ~~to~~ to Interconnection Customers all supporting documentation, workpapers and relevant pre-Interconnection Request and post-Interconnection Request power flow, short circuit and stability databases for the Cluster Interconnection System Impact Study, subject to confidentiality arrangements consistent with Section 13.1 of this LGIP.

### **7.5 Cluster Study Restudies 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, 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.~~

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

- (a) Demonstration of continued Site Control pursuant to Section 3.4.2(iii) of this LGIP; and
- (b) An additional deposit that brings the total Commercial Readiness Deposit submitted to Transmission Provider to five percent (5%) of Interconnection Customer's Network Upgrade cost assignment identified in the Cluster Study in the form of an irrevocable letter of credit, cash, a surety bond, or other form of security that is reasonably acceptable to Transmission Provider. Transmission Provider shall refund the deposit to Interconnection Customer upon withdrawal in accordance with Section 3.7 of this LGIP.

Interconnection Customer shall promptly inform Transmission Provider of any material change to Interconnection Customer's demonstration of Site Control under Section 3.4.2(iii) of this LGIP. Upon Transmission Provider determining that

Interconnection Customer no longer satisfies the Site Control requirement, Transmission Provider shall notify Interconnection Customer. Within ten (10) Business Days of such notification, Interconnection Customer must demonstrate compliance with the applicable requirement subject to Transmission Provider's approval, not to be unreasonably withheld. Absent such demonstration, Transmission Provider shall deem the subject Interconnection Request withdrawn pursuant to Section 3.7 of this LGIP.

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

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

(4) If one or more Interconnection Customers withdraws from the Cluster or is deemed withdrawn pursuant to Section 3.7 of this LGIP, and Transmission Provider determines a Cluster Restudy is necessary as a result, Transmission Provider shall notify Interconnection Customers in the Cluster and post on OASIS that a Cluster Restudy is required within thirty (30) Calendar Days after the Cluster Study Report Meeting. Transmission Provider shall continue with such restudies until Transmission Provider determines that no further restudies are required. If an Interconnection Customer withdraws or is deemed withdrawn pursuant to Section 3.7 of this LGIP during the Interconnection Facilities Study, or after other Interconnection Customers in the same Cluster have executed LGIAs, and Transmission Provider determines a Cluster Restudy is necessary, the Cluster shall be restudied. If a Cluster Restudy is required due to a higher queued project withdrawing from the queue, or a modification of a higher or equally queued project subject to Section 4.4 of this LGIP, Transmission Provider shall so notify affected Interconnection Customers in writing. Except as provided in Section 3.7 of this LGIP in the case of withdrawing Interconnection Customers, any cost of Restudy shall be borne by Interconnection Customers being restudied.

(5) The scope of any Cluster Restudy shall be consistent with the scope of an initial Cluster Study pursuant to Section 7.3 of this LGIP. Transmission Provider shall complete the Cluster Restudy within one hundred fifty (150) Calendar Days of

Transmission Provider informing Interconnection Customers in the Cluster that restudy is needed. If Transmission Provider is unable to complete the Cluster Restudy within the requisite time period, it shall notify Interconnection Customer(s) and shall provide an estimated completion date with an explanation of the reasons why additional time is required. The results of the Cluster Restudy shall be combined into a single report (Cluster Restudy Report). Transmission Provider shall hold a meeting with Interconnection Customers in the Cluster (Cluster Restudy Report Meeting) within ten (10) Business Days of simultaneously furnishing the Cluster Restudy Report to each Interconnection Customer in the Cluster Restudy and publishing the Cluster Restudy Report on OASIS.

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

Interconnection Customer shall be invoiced on a monthly basis for the work to be conducted on the Cluster Restudies each month for work performed each month above the study deposit. Interconnection Customer shall pay invoiced amounts within thirty (30) Calendar Days of receipt of invoice.

## **Section 8. Interconnection Facilities Study**

### **8.1 Interconnection Facilities Study Agreement.**

Simultaneously with the delivery of the Interconnection System Impact Study to Interconnection Customer, Within five (5) Business Days following Transmission Provider notifying each Interconnection Customer within the Cluster that no further Cluster Restudy is required (per Section 7.5 of this LGIP), Transmission Provider shall provide to Interconnection Customer an Interconnection Facilities Study Agreement in the form of Appendix 34 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 ~~five (5) three (3)~~ Business Days following the Cluster Report Meeting or Cluster Restudy Report Meeting if applicable ~~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 deliver the executed Interconnection Facilities Study Agreement to Transmission Provider within thirty (30) Calendar Days after its receipt, together with:

- ~~(1) any the required technical data; and a deposit as identified in Appendix 4. Transmission Customer will be responsible for the total cost of the Facilities Study~~
- (2) Demonstration of one-hundred percent (100%) Site Control or demonstration of a regulatory limitation and applicable deposit in lieu of Site Control provided to Transmission Provider in accordance with Section 3.4.2 of this LGIP; and
- (3) An additional deposit that brings the total Commercial Readiness Deposit submitted to the Transmission Provider to ten percent (10%) of the Interconnection Customer's Network Upgrade cost assignment identified in the Cluster Study or Cluster Restudy, if applicable, in the form of an irrevocable letter of credit, cash, a surety bond, or other form of security that is reasonably acceptable to Transmission Provider. Transmission Provider shall refund the deposit to Interconnection Customer upon withdrawal in accordance with Section 3.7 of this LGIP.

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

~~Transmission Provider shall invoice~~ Interconnection Customer shall be invoiced on a monthly basis for the work to be conducted on the Interconnection Facilities Study each month for work performed each month above the study deposit. 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 be specific to each Interconnection Request and performed on an individual, i.e., non-clustered, basis. The Interconnection Facilities Study shall specify and provide a non-binding estimate of the cost of the equipment, engineering, procurement, and construction work needed to implement the conclusions of the ~~Cluster Interconnection System Impact Study Report (and any associated restudies)~~ in accordance with Good Utility Practice to physically and electrically connect the Interconnection ~~Facilities 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 Interconnection Facilities Study will also identify any potential control equipment for (1) requests for Interconnection Service that are lower than the Generating Facility Capacity, and/or (2) requests to study a Generating Facility that includes at least one electric storage resource using operating assumptions (i.e., whether the interconnecting Generating Facility will or will not charge at peak load) that reflect its proposed charging behavior, as requested by Interconnection Customer, unless Transmission Provider determines that Good Utility Practice, including Applicable Reliability Standards, otherwise require the use of different operating assumptions.

## 8.3 Interconnection Facilities Study Procedures.

Transmission Provider shall coordinate the Interconnection Facilities Study with any Affected System Operator pursuant to Section 3.6 ~~of this LGIP 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 one hundred eighty (180) Calendar Days the following number of days after receipt of an executed Interconnection Facilities Study Agreement: one hundred eighty (180) Calendar Days, with no more than a +/- n approximate twenty percent (20%) percent cost estimate contained in the report; or two hundred seventy (270) Calendar Days, if Interconnection Customer requests a +/- n approximate 10 ten percent (10%) cost estimate. If Transmission Provider is unable to complete the Facilities Study within the requisite time period, it shall notify Interconnection Customer(s) and shall provide an estimated completion date with an explanation of the reasons why additional time is required.

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 [Interconnection Facilities Study Report](#), provide written comments to Transmission Provider, which Transmission Provider shall include in [completing](#) the final [Interconnection Facilities Study 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 [\(15\) Business Day](#) ~~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 [Study](#) 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 [of this LGIP](#).

**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 Res-Study.**

If Res-Study of the Interconnection Facilities Study is required due to a higher or equally queued project withdrawing from dropping out of the queue or a modification of a higher or equally queued project pursuant to Section 4.4 of this LGIP, Transmission Provider shall so notify Interconnection Customer in writing. Transmission Provider shall ensure that complete such restudy Such Re-Study shall takes no longer than within sixty (60) Calendar Days from the date of notice. Except as provided in Section 3.7 of this LGIP in the case of withdrawing Interconnection Customers, any cost of [Re-Study]-restudy shall be borne by the Interconnection Customer being re-studied. If Transmission Provider is unable to complete the Facilities Restudy within the requisite time period, it shall notify Interconnection Customer(s) and shall provide an estimated completion date with an explanation of the reasons why additional time is required.

Interconnection Customer shall be invoiced on a monthly basis for the work to be conducted on the Facilities Restudies each month for work performed each month above the study deposit. Interconnection Customer shall pay invoiced amounts within thirty (30) Calendar Days of receipt of invoice

**Section 9. Affected System Study Engineering & Procurement (E&P) Agreement.**

**9.1 Applicability.**

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

**9.2 Response to Initial Notification**

**9.2.1 Response to Initial Notification.**

When Transmission Provider receives initial notification either following the Cluster Study or a Cluster Restudy that an Affected System Interconnection

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Customer's proposed interconnection to its host transmission provider may impact Transmission Provider's Transmission System, Transmission Provider must respond in writing within twenty (20) Business Days whether it intends to conduct an Affected System Study. By fifteen (15) Business Days after Transmission Provider responds with its affirmative intent to conduct an Affected System Study, Transmission Provider shall share with Affected System Interconnection Customer(s) and the Affected System Interconnection Customer's host transmission provider a non-binding good faith estimate of the cost and the schedule to complete the Affected System Study.

#### **9.2.2 Response to Notification of Cluster Restudy.**

Within five (5) Business Days of receipt of notification of Cluster Restudy, Transmission Provider will send written notification to Affected System Interconnection Customer(s) involved in the Cluster Restudy and the host transmission provider that Transmission Provider intends to delay a planned or in-progress Affected System Study until after completion of the Cluster Restudy. If Transmission Provider decides to delay the Affected System Study, it is not required to meet its obligations under Section 9 of this LGIP until the time that it receives notification from the host transmission provider that the Cluster Restudy is complete. If Transmission Provider decides to move forward with its Affected System Study despite the Cluster Restudy, then it must meet all requirements under Section 9 of this LGIP.

### **9.3 Affected System Queue Position.**

Transmission Provider must assign an Affected System Queue Position to Affected System Interconnection Customer(s) that require(s) an Affected System Study. Such Affected System Queue Position shall be assigned based upon the date of execution of the Affected System Study Agreement. Relative to Transmission Provider's Interconnection Customers, this Affected System Queue Position shall be higher-queued than any Cluster that has not yet received its Cluster Study Report and shall be lower-queued than any Cluster that has already received its Cluster Study Report. Consistent with Section 9.7 of this LGIP, Transmission Provider shall study the Affected System Interconnection Customer(s) via Clustering, and all Affected System Interconnection Customers studied in the same Cluster under Section 9.7 of this LGIP shall be equally queued. For Affected System Interconnection Customers that are equally queued, the Affected System Queue Position shall have no bearing on the assignment of Affected System Network Upgrades identified in the applicable Affected System Study. The costs of the Affected System Network Upgrades shall be allocated among the Affected System Interconnection Customers in accordance with Section 9.9 of this LGIP.

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

Unless otherwise agreed, Transmission Provider shall provide to Affected System Interconnection Customer(s) an Affected System Study Agreement/Multiparty Affected System Study Agreement, in the form of Appendix 79 or Appendix 810 to this LGIP, as applicable, within ten (10) Business Days of Transmission Provider sharing the schedule for the Affected System Study per Section 9.2.1 of this LGIP.

Upon invoice by Transmission Provider, Affected System Interconnection Customer(s) receipt of the Affected System Study Report, Affected System Interconnection Customer(s) shall compensate Transmission Provider for the actual cost of the Affected System Study. Any difference between the study deposit and the actual cost of the Affected System Study shall be paid by or refunded to the Affected System Interconnection Customer(s). Any invoices for the Affected System Study shall include a detailed and itemized accounting of the cost of the study. Affected System Interconnection Customer(s) shall pay any excess costs beyond the already-paid Affected System Study deposit or be reimbursed for any costs collected over the actual cost of the Affected System Study within thirty (30) Calendar Days of receipt of an invoice thereof. If Affected System Interconnection Customer(s) fail to pay such undisputed costs within the time allotted, it shall lose its Affected System Queue Position. Transmission Provider shall notify Affected System Interconnection Customer's host transmission provider of such failure to pay.

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

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

If Affected System Interconnection Customer does not provide all required technical data when it delivers the Affected System Study Agreement/Multiparty Affected System Study Agreement, Transmission Provider shall notify the deficient Affected System Interconnection Customer, as well as the host transmission provider with which Affected System Interconnection Customer

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

## **9.6 Scope of Affected System Study.**

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

The Affected System Study shall consist of a power flow, stability, and short circuit analysis. The Affected System Study Report will: state the assumptions upon which it is based; state the results of the analyses; and provide the potential impediments to Affected System Interconnection Customer's receipt if interconnection service on its host transmission provider's transmission system, including a preliminary indication of the cost and length of time that would be necessary to correct any problems identified in those analyses and implement the interconnection. For purposes of determining necessary Affected System Network Upgrades, the Affected System Study shall consider the level of interconnection service requested in megawatts by Affected System Interconnection Customer, unless otherwise required to study the full generating facility capacity due to safety or reliability concerns. The Affected System Study Report shall provide a list of facilities that are required as a result of Affected System Interconnection

Customer's proposed interconnection to another transmission provider's system, a non-binding good faith estimate of cost responsibility, and a non-binding good faith estimated time to construct. The Affected System Study may consist of a system impact study, a facilities study, or some combination thereof.

### **9.7 Affected System Study Procedures.**

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

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

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

### **9.8 Meeting with Transmission Provider.**

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

### **9.9 Affected System Cost Allocation.**

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

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

Transmission Provider shall tender to Affected System Interconnection Customer(s) an Affected System Facilities Construction Agreement/Multiparty Affected System Facilities Construction Agreement, as applicable, in the form of Appendix 941 or 1042 to this LGIP, within thirty (30) Calendar Days of providing the Affected System Study Report. Within ten (10) Business Days of the receipt of the Affected System Facilities Construction Agreement/Multiparty Affected System Facilities Construction Agreement, the Affected System Interconnection Customer(s) must execute the agreement or request to proceed with Dispute Resolution procedures pursuant to Section 13.5 of Transmission Provider's Tariff. Transmission Provider shall execute the agreement or proceed with Dispute Resolution procedures request that service commence under an unexecuted LGIA, subject to Dispute Resolution procedures pursuant to Section 13.5 within five (5) Business Days after receiving direction from Affected System Interconnection Customer(s). Affected System Interconnection Customer's failure to execute the Affected System Facilities Construction Agreement/Multiparty Affected System Facilities Construction Agreement shall result in the loss of its Affected System Queue Position.

### **9.11 Restudy.**

If restudy of the Affected System Study is required, Transmission Provider shall notify Affected System Interconnection Customer(s) in writing within thirty (30) Calendar Days of discovery of the need for restudy. Such restudy shall take no longer than sixty (60) Calendar Days from the date of notice. Any cost of restudy shall be borne by the Affected System Interconnection Customer(s) being restudied. If restudy of the Affected System Study is required, Affected System Interconnection Customer shall be invoiced on a monthly basis for the work to be conducted on the Affected System Restudy each month for work performed each month above the study deposit. Interconnection Customer shall pay invoiced amounts within thirty (30) Calendar Days of receipt of invoice.

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 Cluster~~ Study results, Interconnection Customer may request ~~that the~~ and Transmission Provider ~~shall~~ perform a reasonable number of Optional ~~Interconnection~~ Studies. The request shall describe the assumptions that Interconnection Customer wishes Transmission Provider to study within the scope described in Section 10.2 ~~of this LGIP~~. Within five (5) Business Days after receipt of a request for an Optional Interconnection Study, Transmission Provider shall ~~acknowledge the request. The Transmission Provider will inform the Interconnection Customer whether it will proceed with an Optional Interconnection Study within thirty (30) calendar days after Transmission Provider receives the request and will~~ provide to Interconnection Customer an Optional Interconnection Study Agreement in the form of Appendix ~~45, as appropriate~~.

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 ~~Operator~~ whose participation is necessary to complete the Optional Interconnection Study. Notwithstanding the above, Transmission Provider shall not be required as a result of an Optional Interconnection Study request to conduct any additional Interconnection Studies with respect to any other Interconnection Request.

Interconnection Customer shall execute the Optional Interconnection Study Agreement within ten (10) Business Days of receipt and deliver ~~to Transmission Provider the executed~~ Optional Interconnection Study Agreement, the technical data, ~~and a deposit of the lesser of \$90,000 or eighty-five (85) percent of the estimated cost to prepare this study~~ ~~a \$10,000 deposit as identified in Appendix 5 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 ~~deposit/prepayment~~, and technical and other data called for therein must be provided to Transmission Provider within ten (10) Business Days of Interconnection Customer's 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/deposit~~ and the actual cost of the study shall be paid to Transmission Provider or refunded to Interconnection Customer, as appropriate. Interconnection Customer shall be invoiced on a monthly basis for the work to be conducted on the Optional Interconnection Study each month for work performed each month above the study deposit. Interconnection Customer shall pay invoiced amounts within thirty (30) Calendar Days of receipt of invoice. 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 of this LGIP.

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

### 11.1 Tender.

Interconnection Customer shall tender comments Simultaneously with the issuance of 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 or after to the Interconnection Customer notifies the Transmission Provider that it will not provide comments, Transmission Provider shall tender to the Interconnection Customer a draft LGIA, together with draft appendices completed to the extent practicable. The draft LGIA shall be in the form of the Transmission Provider's *pro forma standard form* LGIA, which is in Appendix 656. Interconnection Customer shall execute and return the LGIA and completed draft appendices within thirty (30) Calendar Days, unless (1) the sixty (60) Calendar Day negotiation period under Section 11.2 of this LGIP has commenced, or (2) LGIA execution, or a request that service commence to proceed under an unexecuted LGIA, subject to with Dispute Resolution procedures pursuant to Section 13.5, has been delayed to await the Affected System Study Report pursuant to Section 11.2.1 of this LGIP. Within sixty (60) Calendar Days after the issuance of the draft Interconnection Facilities Study Report, the Transmission Provider shall tender the completed draft LGIA appendices~~

## 11.2 Negotiation.

Notwithstanding Section 11.1 ~~of this LGIP~~, at the request of Interconnection Customer, Transmission Provider shall begin negotiations with Interconnection Customer concerning the appendices to the LGIA at any time after Interconnection Customer executes the Interconnection Facilities Study Agreement. ~~Interconnection Customer shall be responsible for Transmission Provider's actual costs incurred as a result of negotiations under this LGIP, including legal, consulting, administrative and general costs; provided, that any Transmission Provider invoices shall include a detailed and itemized accounting of such costs.~~ Transmission Provider and Interconnection Customer shall negotiate concerning any disputed provisions of the appendices to the draft LGIA for not more than sixty (60) Calendar Days after tender of the final Interconnection Facilities Study Report. If Interconnection Customer determines that negotiations are at an impasse, it may request termination of the negotiations at any time after tender of the ~~draft~~ LGIA pursuant to Section 11.1 ~~of this LGIP~~ and request ~~that service commence under an unexecuted LGIA, subject to to proceed with~~ Dispute Resolution procedures pursuant to Section 13.5 ~~of this LGIP~~. ~~If Interconnection Customer requests termination of the negotiations, but within sixty (60) Calendar Days thereafter fails to request that service commence proceeding under an unexecuted LGIA, subject to with Dispute Resolution, it shall be deemed to have withdrawn its Interconnection Request. Unless otherwise agreed by the Parties, if Interconnection Customer has not executed the LGIA, or requested service under an unexecuted LGIA, subject to Dispute Resolution procedures pursuant to Section 13.5 of this LGIP within (60) Calendar Days of tender of completed the draft of the LGIA appendices, 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.~~

### 11.2.1 Delay in LGIA Execution, or Seeking ~~Unexecuted LGIA Subject to Dispute Resolution, to Await Affected System Study Report.~~

If Interconnection Customer has not received its Affected System Study Report from the Affected System Operator prior to the date that it would be required to execute its LGIA (or request ~~an unexecuted LGIA subject to~~ to proceed with Dispute Resolution procedures) pursuant to Section 11.1 of this LGIP, Transmission Provider shall, upon request of Interconnection Customer, extend this deadline to thirty (30) Calendar Days after Interconnection Customer's receipt of the Affected System Study Report. If Interconnection Customer, after delaying LGIA execution, or its requesting ~~an unexecuted LGIA subject to~~ to proceed with Dispute Resolution, to await Affected System Study Report, ~~decides~~ ~~to proceed to LGIA execution, or request service to proceed to commence with an unexecuted LGIA subject to~~ Dispute Resolution procedures in Section 13.5, without those results, it may notify Transmission Provider of its intent to proceed with LGIA execution (or ~~requesting service to commence to proceed with an unexecuted LGIA subject to~~ Dispute Resolution procedures) pursuant to Section 11.1 of this LGIP. If Transmission Provider determines that further delay to the LGIA execution date would cause a material impact on the cost or timing of an equal- or lower-queued Interconnection Customer, Transmission Provider must notify Interconnection Customer of such impacts and set the deadline to execute the LGIA (~~or request that the LGIA be filed unexecuted~~) to thirty (30) Calendar Days after such notice is provided.

### **11.3 Execution.**

Simultaneously with submitting the executed LGIA to Transmission Provider, or within ten (10) Business Days after Interconnection Customer requests ~~that~~ Transmission Provider to proceed with ~~an unexecuted LGIA subject to~~ Dispute Resolution procedures in Section 13.5, Within fifteen (15) Business Days after receipt of the final LGIA, Interconnection Customer shall provide Transmission Provider with: (1) demonstration of continued Site Control pursuant to Section 8.1(2) of this LGIP; and (2) the LGIA Deposit equal to twenty percent (20%) of Interconnection Customer's estimated Network Upgrade costs identified in the draft LGIA minus the total amount of Commercial Readiness Deposits that Interconnection Customer has provided to Transmission Provider for its Interconnection Request. Transmission Provider shall use LGIA Deposit as (or as a portion of) Interconnection Customer's security required under LGIA Article 11.5. Interconnection Customer may not request to suspend its LGIA under Article 5.16 until Interconnection Customer has provided (1) and (2) to Transmission Provider. If Interconnection Customer fails to provide (1) and (2) to Transmission Provider within the thirty (30) Calendar Days allowed for returning the executed LGIA and appendices under LGIP Section 11.1, or within ten (10) Business Days after Interconnection Customer requests that Transmission Provider proceed with

~~the LGIA unexecuted subject to Dispute Resolution procedures in Section 13.5 as allowed in this Section 11.3 of this LGIP, the Interconnection Request will be deemed withdrawn pursuant to Section 3.7 of this LGIP.~~

~~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 ~~(unless such milestone is inapplicable due to the characteristics of the Generating Facility):~~ i) the execution of a contract ~~(or comparable evidence)~~ 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~~ one electronic originals of the tendered LGIA and return them to Transmission Provider; or ii) request ~~in writing that service commence to proceed with~~ under an unexecuted LGIA, subject to Dispute Resolution procedures under Section 13.5. If the Parties agree to proceed with design, procurement, and construction of facilities and upgrades under the terms of the draft LGIA provided by the Transmission Provider under the agreed upon terms of the unexecuted LGIA, they may proceed pending Dispute Resolution.

**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. Upon a ~~written request for service to proceed with Dispute Resolution pertaining to the draft LGIA, under an unexecuted LGIA,~~ Interconnection Customer and Transmission Provider shall ~~perform~~ proceed under the ~~unexecuted draft~~ LGIA, subject to modification in Dispute Resolution.

**Section 12. Construction of Transmission Provider's Interconnection Facilities and Network Upgrades**

**Section 12. Construction of Transmission Provider's Interconnection Facilities and Network Upgrades**

## 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 Customer<sup>s</sup> 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 through transmission service crediting 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 ~~Cluster System Impact Study Report~~.**

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

## **Section 13. Miscellaneous**

### **13.1 Confidentiality.**

Confidential Information shall include, without limitation, all information relating to a Party's technology, research and development, business affairs, and pricing, and any information supplied by either of the Parties to the other prior to the execution of an LGIA.

Information is Confidential Information only if it is clearly designated or marked in writing as confidential on the face of the document, or, if the information is conveyed orally or by inspection, if the Party providing the information orally informs the Party receiving the information that the information is confidential.

If requested by either Party, the other Party shall provide in writing, the basis for asserting that the information referred to in this Article warrants confidential treatment, and the requesting Party may disclose such writing to the appropriate Governmental Authority. Each Party shall be responsible for the costs associated with affording confidential treatment to its information.

#### **13.1.1 Scope.**

Confidential Information shall not include information that the receiving Party can demonstrate: 1) is generally available to the public other than as a result of a disclosure by the receiving Party; 2) was in the lawful possession of the receiving Party on a non-confidential basis before receiving it from the disclosing Party; 3) was supplied to the receiving Party without restriction by a third party, who, to the knowledge of the receiving Party after due inquiry, was under no obligation to the disclosing Party to keep such information confidential; 4) was independently\_

developed by the receiving Party without reference to Confidential Information of the disclosing Party; 5) is, or becomes, publicly known, through no wrongful act or omission of the receiving Party or Breach of the LGIA; or 6) is required, in accordance with Section 13.1.6 [of this LGIP](#), Order of Disclosure, to be disclosed by any Governmental Authority or is otherwise required to be disclosed by law or subpoena, or is necessary in any legal proceeding establishing rights and obligations under the

LGIA. Information designated as Confidential Information will no longer be deemed confidential if the Party that designated the information as confidential notifies the other Party that it no longer is confidential.

#### **13.1.2 Release of Confidential Information.**

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

#### **13.1.3 Rights.**

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

#### **13.1.4 No Warranties.**

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

**13.1.5 Standard of Care.**

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

**13.1.6 Order of Disclosure.**

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

**13.1.7 Remedies.**

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

### 13.2 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.

In the event an Interconnection Customer withdraws its Interconnection Request prior to the commencement of the Cluster Study, Interconnection Customer must pay Transmission Provider the actual costs of processing its Interconnection Request. In the event an Interconnection Customer withdraws after the commencement of the Cluster Study, Transmission Provider shall charge and Interconnection Customer shall pay the actual costs of the Interconnection Studies. The costs of any interconnection study conducted on a clustered basis shall be allocated among each Interconnection Customer within the cluster as follows:  
~~Transmission Provider shall include in this section a description of how the cost of any clustered interconnection study will be allocated.~~

- 90% of the applicable study costs allocated pro rata to Interconnection Customers based on requested MWs included in the applicable Cluster, and
- 10% of the applicable study costs allocated per capita to Interconnection Customers based on the number of Interconnection Requests included in the applicable Cluster.

Any difference between the study deposit and the actual cost of the ~~applicable Interconnection Studies~~ shall be paid by or refunded ~~to~~, except as otherwise provided herein, to Interconnection Customers ~~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 Customers shall pay any such undisputed costs within thirty (30) Calendar Days of receipt of an invoice therefor. If Interconnection Customer fails to pay such undisputed costs within the time allotted, its Interconnection Request shall be deemed withdrawn from the Cluster Study Process and will be subject to Withdrawal Penalties pursuant to Section 3.7 of this LGIP. ~~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 [of this LGIP](#) 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 [of this LGIP](#) 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 [of this LGIP](#). 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 OATT 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.

**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 reason therefore. The arbitrator(s) shall be authorized only to interpret and apply the provisions of the LGIA and LGIP and shall have no power to modify or change any provision of the [Transmission Provider's 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 governed by the laws of the State of California. The decision of the arbitrator(s) may be appealed solely on the grounds that the conduct of the arbitrator(s), or the decision itself, violated the standards set forth in the Federal Arbitration Act or the Administrative Dispute Resolution Act.

**13.5.4 Costs.**

Each Party shall be responsible for its own costs incurred during the arbitration process and for the following costs, if applicable: 1) the cost of the arbitrator chosen by the Party to sit on the three-member panel and one half of the cost of the third arbitrator chosen; or 2) one half the cost of the single arbitrator jointly chosen by the Parties.

### 13.5.5 Non-binding Dispute Resolution Procedures.

If a Party has submitted a Notice of Dispute pursuant to Section 13.5.1 [of this LGIP](#), 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 [Procedures](#)"). 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 [this](#) Section 13.5.5 shall serve as an alternative to, and not a replacement of, the Section 13.5 arbitration process. Pursuant to this process, a Transmission Provider must within thirty (30) Calendar Days of receipt of the Request for Non-binding Dispute Resolution appoint a neutral decision-maker that is an independent subcontractor that shall not have any current or past substantial business or financial relationships with either Party. Unless otherwise agreed by the Parties, the decision-maker shall render a decision within sixty (60) Calendar Days of appointment and shall notify the Parties in writing of such decision and reason therefore. This decision-maker shall be authorized only to interpret and apply the provisions of the [Transmission Provider's LGIP and LGIA](#) and shall have no power to modify or change any provision of the [Transmission Provider's LGIP and LGIA](#) in any manner. The result reached in this process is not binding, but, unless otherwise agreed, the Parties may cite the record and decision in the non-binding dispute resolution process in future dispute resolution processes, including in a Section 13.5 arbitration. Each Party shall be responsible for its own costs incurred during the process and the cost of the decision-maker shall be divided equally among each Party to the dispute.

### 13.6 Facilities Financed by Tax-Exempt Bonds.

If Transmission Provider determines that the provision of Interconnection Service requested by Interconnection Customer would jeopardize the tax-exempt status of any 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 and shall not be obligated to provide the requested ~~I~~interconnection ~~S~~service. Interconnection Customer thereafter may ~~renew-resubmit~~ its request for interconnection using the process specified in ~~Article-Section 5-23~~ of the Transmission Provider's [OATFLGIP](#).

### 13.7 Jurisdiction.

Notwithstanding the provisions herein, TANC does not accede to the imposition of Federal Power Act jurisdiction over the interconnection or transmission rates of TANC, and by incorporating this tariff amendment, TANC does not intend that TANC be thereby subject to public utility regulations of the Federal Energy Regulatory Commission.

### 13.8 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.

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

1. The undersigned Interconnection Customer submits this request to interconnect its Large Generating Facility with Transmission Provider's Transmission System pursuant to a Tariff.

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

A proposed new Large Generating Facility.

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

Permissible Technological Advancement request related to an existing Interconnection Request.

Provisional Interconnection Service related to an existing Interconnection Request or Interconnection Agreement. The existing Interconnection Queue Number associated with Provisional Interconnection Service Request is \_\_\_\_\_.

Surplus Interconnection Service related to an existing LGIA. Existing LGIA Customer offering Surplus Interconnection Service:

\_\_\_\_\_

Surplus Interconnection Service Customer:

\_\_\_\_\_

Existing Generating Facility location and related Point of Interconnection where Surplus Interconnection Service is being offered:

\_\_\_\_\_

For Surplus Interconnection Service, also include (1) proof that existing LGIA customer and Surplus Interconnection Customer have entered into a Surplus arrangement and (2) the System Impact Study or Cluster Study performed for the Existing Generating Facility with its application or indicate that such study is not available.

3. The type of interconnection service requested ~~(check one)~~:

Energy Resource Interconnection Service (As Available Capacity)

~~Network Resource Interconnection Service (Full Capacity)~~

Given that TANC has not integrated any generating facilities to serve native load, it is unable to offer or study Network Resource Interconnection Service.

4. RESERVED
5. Interconnection Customer provides the following information for a proposed new Generating Facility, an increase to Generating Facility Capacity or a Material Modification of an existing Generating Facility, or for Provisional Interconnection Service related to an existing Interconnection Request or Interconnection Agreement. For Surplus Interconnection Service, the applicant provides the following information for the Generating Facility that plans to utilize the Surplus Interconnection Service offered at the existing Interconnection Customer's Point of Interconnection:
  - a. Address or location of the proposed new Large Generating Facility site (to the extent known) or, in the case of an existing Generating Facility, the name and specific location of the existing Generating Facility;
  - b. Maximum summer at \_\_degrees C and winter at \_\_degrees C megawatt electrical output of the proposed new Large Generating Facility or the amount of megawatt increase in the generating capacity of an existing Generating Facility;
  - c. General description of the equipment configuration;
  - d. Commercial Operation Date (Day, Month, and Year);
  - e. Name, address, telephone number, and e-mail address of Interconnection Customer's contact person;
  - f. Approximate location of the proposed Point of Interconnection (optional);
  - g. Interconnection Customer Data (set forth in Attachment A);
  - h. Primary frequency response operating range for electric storage resources; ~~and~~
  - i. Requested capacity (in MW) of Interconnection Service (if lower than the Generating Facility Capacity);
  - ~~j.~~ If applicable, (1) the requested operating assumptions (i.e., whether the interconnecting Generating Facility will or will not charge at peak load) to be used by Transmission Provider that reflect the proposed charging behavior of a Generating Facility that includes at least one electric storage resource, and (2) a description of any control technologies (software and/or hardware) that will limit the operation of the Generating Facility to its intended operation.
6. Applicable deposit amount as specified in the LGIP.;
7. Evidence of Site Control and the Site Control Affidavit 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. If a Permissible Technological Advancement Request:

Pursuant to the Tariff, Interconnection Customer may request a Technological Advancement prior to the execution of a Facilities Study Agreement. Examples of allowable technological advancements can include advancements to turbines, inverters, plant supervisory controls, or other technological advancements that may affect a generating facility’s ability to provide ancillary services. Please provide the following information:

<u>Queue number</u>	
<u>Interconnection Customer Name</u>	
<u>Project Name</u>	
<u>Date of Request</u>	
<u>Interconnection Customer Contact Name</u>	
<u>Description of Technological Change Request</u>	
<u>Describe the technological advancement being proposed for this interconnection request</u>	
<u>Describe how this technological advancement results in an electrical performance that is equal to, or better than the equipment that is being proposed</u>	

In addition to this information, all technical information necessary for the Transmission Provider to analyze the request must also be submitted. Examples of the necessary technical information could include the following:

1. A detailed one line diagram identifying the new proposed equipment
2. Manufacturer cut sheets for newly proposed inverters or turbines
3. Steady State & Dynamic Stability Study Models – A WECC approved GE PSLF standard model as well as a detailed user written model if the generating facility is renewable generation

Interconnection Customers that are considering submitting a technological advancement request are highly recommended to discuss the details with the Transmission Provider prior to submitting the request in order to ensure everything necessary is provided. Failure to do so may result in the Transmission Provider denying the request if it is unable, due to lack of information, to properly analyze the request.

8.9. This Interconnection Request shall be submitted to the representative indicated below:

\_\_\_\_\_[To be completed by Transmission Provider]

~~9-10.~~ Representative of Interconnection Customer to contact:

\_\_\_\_\_[To be completed by Interconnection Customer]

~~10-11.~~ 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<sup>2</sup> = \_\_\_\_\_ lb. ft.<sup>2</sup>

**REACTANCE DATA (PER UNIT-RATED KVA)**

	DIRECT AXIS	QUADRATURE AXIS
Synchronous – saturated	X <sub>dv</sub> _____	X <sub>qv</sub> _____
Synchronous – unsaturated	X <sub>di</sub> _____	X <sub>qi</sub> _____
Transient – saturated	X' <sub>dv</sub> _____	X' <sub>qv</sub> _____
Transient – unsaturated	X' <sub>di</sub> _____	X' <sub>qi</sub> _____
Subtransient – saturated	X'' <sub>dv</sub> _____	X'' <sub>qv</sub> _____
Subtransient – unsaturated	X'' <sub>di</sub> _____	X'' <sub>qi</sub> _____
Negative Sequence – saturated	X <sub>2v</sub> _____	
Negative Sequence – unsaturated	X <sub>2i</sub> _____	
Zero Sequence – saturated	X <sub>0v</sub> _____	
Zero Sequence – unsaturated	X <sub>0i</sub> _____	
Leakage Reactance	X <sub>lm</sub> _____	

**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  $I^2t =$  \_\_\_\_\_  
 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 Transmission Provider determines that other data sheets are more appropriate to the proposed device, then they shall be provided by the Interconnection Customer and discussed ~~at~~ during the Scoping Meeting.

**INDUCTION GENERATORS**

- (\*) Field Volts: \_\_\_\_\_
- (\*) Field Amperes: \_\_\_\_\_
- (\*) Motoring Power (kW): \_\_\_\_\_
- (\*) Neutral Grounding Resistor (If Applicable): \_\_\_\_\_
- (\*) I<sup>2</sup>t 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.

**MODELS FOR NON-SYNCHRONOUS GENERATORS**

For a non-synchronous Large Generating Facility, Interconnection Customer shall provide (1) a validated user-defined root mean squared (RMS) positive sequence dynamics model; (2) an appropriately parameterized generic library RMS positive sequence dynamics model, including model block diagram of the inverter control and plant control systems, as defined by the selection in Table 1 or a model otherwise approved by the Western Electricity Coordinating Council, that corresponds to Interconnection Customer’s Large Generating Facility; and (3) if applicable, a validated electromagnetic transient model if Transmission Provider performs an electromagnetic transient study as part of the interconnection study process. A user-defined model is a set of programming code created by equipment manufacturers or developers that captures the latest features of controllers that are mainly software based and represents the entities’ control strategies but does not necessarily correspond to any generic library model. Interconnection Customer must also demonstrate that the model is validated by providing evidence that the equipment behavior is consistent with the model behavior (e.g., an attestation from Interconnection Customer that the model accurately represents the entire Large Generating Facility; attestations from each equipment manufacturer that the user defined model accurately represents the component of the Large Generating Facility; or test data).

**Table 1: Acceptable Generic Library RMS Positive Sequence Dynamics Models**

<u>GE PSLE</u>	<u>Siemens PSS/E*</u>	<u>PowerWorld Simulator</u>	<u>Description</u>
<u>pvd1</u>		<u>PVD1</u>	<u>Distributed PV system model</u>
<u>der a</u>	<u>DERAU1</u>	<u>DER A</u>	<u>Distributed energy resource model</u>
<u>regc a</u>	<u>REGCAU1, REGCA1</u>	<u>REGC A</u>	<u>Generator/converter model</u>
<u>regc b</u>	<u>REGCBU1</u>	<u>REGC B</u>	<u>Generator/converter model</u>

<u>GE PSLE</u>	<u>Siemens PSS/E*</u>	<u>PowerWorld Simulator</u>	<u>Description</u>
<u>wt1g</u>	<u>WT1G1</u>	<u>WT1G and WT1G1</u>	<u>Wind turbine model for Type-1 wind turbines (conventional directly connected induction generator)</u>
<u>wt2g</u>	<u>WT2G1</u>	<u>WT2G and WT2G1</u>	<u>Generator model for generic Type-2 wind turbines</u>
<u>wt2e</u>	<u>WT2E1</u>	<u>WT2E and WT2E1</u>	<u>Rotor resistance control model for wound-rotor induction wind-turbine generator wt2g</u>
<u>reec_a</u>	<u>REECAU1, REECA1</u>	<u>REEC_A</u>	<u>Renewable energy electrical control model</u>
<u>reec_c</u>	<u>REECCU1</u>	<u>REEC_C</u>	<u>Electrical control model for battery energy storage system</u>
<u>reec_d</u>	<u>REECDU1</u>	<u>REEC_D</u>	<u>Renewable energy electrical control model</u>
<u>wt1t</u>	<u>WT12T1</u>	<u>WT1T and WT12T1</u>	<u>Wind turbine model for Type-1 wind turbines (conventional directly connected induction generator)</u>
<u>wt1p_b</u>	<u>wt1p_b</u>	<u>WT12A1U_B</u>	<u>Generic wind turbine pitch controller for WTGs of Types 1 and 2</u>
<u>wt2t</u>	<u>WT12T1</u>	<u>WT2T</u>	<u>Wind turbine model for Type-2 wind turbines (directly connected induction generator wind turbines with an external rotor resistance)</u>
<u>wtgt_a</u>	<u>WTDTAU1, WTDTA1</u>	<u>WTGT_A</u>	<u>Wind turbine drive train model</u>
<u>wtga_a</u>	<u>WTARAU1, WTARA1</u>	<u>WTGA_A</u>	<u>Simple aerodynamic model</u>

<u>GE PSLE</u>	<u>Siemens PSS/E*</u>	<u>PowerWorld Simulator</u>	<u>Description</u>
<u>wtgp_a</u>	<u>WTPTAU1</u> <u>WTPTA1</u>	<u>WTGPT_A</u>	<u>Wind Turbine Generator Pitch controller</u>
<u>wtgq_a</u>	<u>WTTOAU1</u> <u>WTTOA1</u>	<u>WTGTRO_A</u>	<u>Wind Turbine Generator Torque controller</u>
<u>wtgwgo_a</u>	<u>WTGWGOAU</u>	<u>WTGWGO_A</u>	<u>Supplementary control model for Weak Grids</u>
<u>wtgibfr_a</u>	<u>WTGIBFFRA</u>	<u>WTGIBFFER_A</u>	<u>Inertial-base fast frequency response control</u>
<u>wtgp_b</u>	<u>WTPTBU1</u>	<u>WTGPT_B</u>	<u>Wind Turbine Generator Pitch controller</u>
<u>wtgt_b</u>	<u>WTDTBU1</u>	<u>WTGT_B</u>	<u>Drive train model</u>
<u>repc_a</u>	<u>Type 4:</u> <u>REPCAU1</u> <u>(v33).</u>  <u>REPCA1 (v34)</u>   <u>Type 3:</u> <u>REPCTAU1</u> <u>(v33).</u>  <u>REPCTA1</u> <u>(v34)</u>	<u>REPC_A</u>	<u>Power Plant Controller</u>

<a href="#">GE PSLF</a>	<a href="#">Siemens PSS/E*</a>	<a href="#">PowerWorld Simulator</a>	<a href="#">Description</a>
<a href="#">repc_b</a>	<a href="#">PLNTBU1</a>	<a href="#">REPC_B</a>	<p><a href="#">Power Plant Level Controller for controlling several plants/devices</a></p> <p><a href="#">In regard to Siemens PSS/E*:</a></p> <p><a href="#">Names of other models for interface with other devices:</a></p> <p><a href="#">REA3XBU1, REAX4BU1- for interface with Type 3 and 4 renewable machines</a></p> <p><a href="#">SWSAXBU1- for interface with SVC (modeled as switched shunt in powerflow)</a></p> <p><a href="#">SYNAXBU1- for interface with synchronous condenser</a></p> <p><a href="#">FCTAXBUI- for interface with FACTS device</a></p>
<a href="#">repc_c</a>	<a href="#">REPCCU</a>	<a href="#">REPC_C</a>	<a href="#">Power plant controller</a>

Attachment B to Appendix 1  
Interconnection Request

PROOF OF SITE CONTROL AFFIDAVIT

1. The undersigned ("Affiant") is an officer or an agent of the Interconnection Customer for the Interconnection Request associated with [Project Name].
2. Affiant affirms the veracity of all Site Control documents for [Project Name] required pursuant to Section 3.4.2 of Transmission Provider's LGIP.
3. Affiant has reviewed all such Site Control documents submitted for [Project Name] and has personal knowledge of its contents.
4. Affiant hereby affirms that the Interconnection Customer [PLEASE SELECT FROM THE FOLLOWING:  
  
(1) possesses Site Control for (Project Name) in accordance with Section 3.4.2 of Transmission Provider's LGIP; OR  
  
(2) is presently subject to regulatory restrictions that preclude Interconnection Customer from obtaining Site Control for (Project Name) pursuant to Section 3.4.2 of Transmission Provider's LGIP].
5. [TO THE EXTENT THAT REGULATORY RESTRICTIONS PRECLUDE SITE CONTROL PURSUANT TO SECTION 3.4.2 OF TRANSMISSION PROVIDER'S LGIP] In accordance with Section 3.4.2 of Transmission Provider's LGIP, attached hereto the affiant provides a description of conditions that must be met in order to satisfy the regulatory restrictions and the anticipated time by which the Interconnection Customer expects to satisfy the regulatory restrictions.

Sincerely,

[Affiant signature]

[Affiant printed name]

[Affiant title]

[Affiant company name]

[Date]

~~APPENDIX 2 to LGIP  
INTERCONNECTION FEASIBILITY STUDY AGREEMENT~~

~~THIS AGREEMENT is made and entered into this \_\_\_d day of \_\_\_\_\_, 20\_\_ by and between \_\_\_\_\_, a(n) \_\_\_\_\_ organized and existing under the laws of the State of \_\_\_\_\_, (Interconnection Customer), and \_\_\_\_\_ a(n) \_\_\_\_\_ 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 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 LCIP. If, after the designation of the Point of Interconnection pursuant to Section 3.4.4 of the LCIP, 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 the lesser of \$120,000 or eighty-five (85) percent of the estimated cost to prepare this study by the Transmission Provider 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. Interconnection Customer shall pay amounts in excess of the deposit within fifteen (15) Calendar Days of receipt of invoice.~~

~~7.0 Miscellaneous. The Interconnection Feasibility Study Agreement shall include standard miscellaneous terms including, but not limited to, indemnities, representations, disclaimers, warranties, governing law, amendment, execution, waiver, enforceability, and assignment, that reflect best practices in the electric industry, and that are consistent with regional practices, Applicable Laws and Regulations, and the organizational nature of each Party. All of these provisions, to the extent practicable, shall be consistent with the provisions of the LCIP 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.~~

Transmission Agency of Northern California

Open Access Transmission Tariff

~~{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 23 to LGIP ~~CLUSTER INTERCONNECTION SYSTEM IMPACT~~ STUDY AGREEMENT

THIS AGREEMENT is made and entered into this day of \_\_\_\_\_, 20\_\_\_\_ by \_\_\_\_\_ and between \_\_\_\_\_, a(n) \_\_\_\_\_ organized and existing under the laws of the State of \_\_\_\_\_, (Interconnection Customer), and \_\_\_\_\_ a(n) 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 a ~~Cluster n Interconnection System Impact~~ Study to assess the impact of interconnecting the Large Generating Facility to the Transmission System, and of any Affected Systems;

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

- 1.0 When used in this Agreement, with initial capitalization, the terms specified shall have the meanings indicated in Transmission Provider's LGIP.
- 2.0 Interconnection Customer elects and Transmission Provider shall cause to be performed ~~a Cluster n Interconnection System Impact~~ Study consistent with Section 7.0 of this LGIP in accordance with the Tariff.
- 3.0 The scope of the ~~Cluster Interconnection System Impact~~ Study shall be subject to the assumptions set forth in Attachment A to this Agreement.

- 4.0 The ~~Cluster 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 ~~Cluster 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 ~~Cluster Interconnection System Impact~~ Study may be extended.
- 5.0 The ~~Cluster Interconnection System Impact~~ Study ~~R~~report shall provide the following information:
- ~~7.45.1~~ Identification of any circuit breaker short circuit capability limits exceeded as a result of the interconnection;
  - ~~7.25.2~~ Identification of any thermal overload or voltage limit violations resulting from the interconnection;
  - ~~7.35.3~~ Identification of any instability or inadequately damped response to system disturbances resulting from the interconnection; and
  - ~~7.45.4~~ 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 the lesser of \$250,000 or eighty five (85) percent of the estimated cost to prepare this study by the Transmission Provider for the performance of the Interconnection System Impact Study.~~ Transmission Provider's good faith estimate for the time of completion of the ~~Cluster Interconnection System Impact~~ Study is [insert date].

Upon receipt of the ~~Cluster Interconnection System Impact~~ Study Report, Transmission Provider shall charge and Interconnection Customer shall pay its share of the actual costs of the ~~Cluster Interconnection System Impact~~ Study, consistent with Section 13.3 of this LGIP.

~~Any difference between the deposit and the actual cost of the study shall be paid by or refunded to Interconnection Customer, as appropriate. Interconnection Customer shall pay amounts in excess of the deposit within thirty (30)~~

~~Calendar Days of receipt of invoice.~~

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

#### 7.0 Miscellaneous-

~~The Cluster 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 LCIP and the LGIA.~~

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

7.2 Entire Agreement. This Agreement including all Appendices and Schedules attached hereto contain the entire agreement among the Parties and constitutes the complete, final and exclusive embodiment of their agreement with respect to the subject matter hereof, and may only be modified by a writing signed by either all of the Parties hereto or signed on behalf of the Parties.

7.3 No Third Party Beneficiary. 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.

7.4 Waivers. Any waiver, which such waiver must be in writing, at any time by any Party of its rights with respect to a default under this Agreement, or with respect to any other matter arising in connection with said Agreement, shall not be deemed a waiver with respect to any subsequent default or other matter arising in connection therewith. The failure of a Party to this Agreement to insist, on any occasion, upon strict performance of any provision of this Agreement will not be considered a waiver of any obligation, right, or duty of, or imposed upon, such Party. Any delay, short of the statutory period of limitation in asserting or enforcing any right, shall not be deemed a waiver of such right.

- 7.5 Headings. The descriptive headings of the various Articles of this Agreement have been inserted for convenience of reference only and are of no significance in the interpretation or construction of this Agreement.
- 7.6 Governing Law and Venue. This Agreement shall be interpreted and enforced in accordance with the substantive and procedural laws of the State of California. All actions or proceedings arising in connection with this Agreement shall be tried and litigated exclusively in State court located in Sacramento County, California and/or Federal court located in Sacramento County, California. The aforementioned choice of venue is mandatory, thereby precluding the possibility of litigation between the Parties with respect to or arising out of this Agreement in any jurisdiction other than that specified in this section. Each Party hereby waives any right it may have to assert the doctrine of forum non conveniens or a similar doctrine or to object to venue with respect to any proceeding brought in accordance with this section, and stipulates that the State court located in Sacramento County, California, and/or Federal court located in Sacramento County, California, shall have in personam jurisdiction and venue over each of them for the purpose of litigating any dispute or proceeding arising out of or related to this Agreement. Each Party hereby authorizes service of process sufficient for personal jurisdiction in any action against it at the address and in the manner for the giving of notice as set forth in this Agreement.
- 7.7 Indemnification. The Interconnection Customer shall at all times indemnify, defend, and save the Transmission Provider harmless from, any and all damages, losses, claims, including claims and actions relating to injury to or death of any person or damage to property, demands, suits, recoveries, costs and expenses, court costs, attorney fees, and all other obligations by or to third parties, arising out of or resulting from the Transmission Provider's performance of its obligations under this Tariff on behalf of the Interconnection Customer, except in cases of gross negligence or intentional wrongdoing by the Transmission Provider.
- 7.8 No Warranty. Transmission Provider's Interconnection Cluster Study shall not be construed as confirming or endorsing the design, or as any warranty of safety, durability, reliability, or suitability of Interconnection Customer's Generating Facility or installation thereof for any use, including the use intended by Interconnection Customer.
- 7.9 Uncontrollable Forces. Transmission Provider shall not be considered to be in Default of the provisions of this Agreement if delays in or failure of performance shall be due to uncontrollable forces, the effect of which, by the exercise of Reasonable Efforts, Transmission Provider could not avoid. The term uncontrollable forces as it pertains to this section shall mean any event which results in the prevention or delay of performance by Transmission Provider of its obligations under this Agreement and which is beyond the control of Transmission Provider. The term uncontrollable forces includes, but is not limited to, fire, acts of God, flood, earthquakes, storms, lightning, epidemic, war, riot, civil disturbance, sabotage, strikes, work slowdowns, or other labor disturbances, and judicial constraint. The provisions of this section shall not be interpreted or construed to require Transmission Provider to prevent, settle, or otherwise avoid a strike, work slowdown, or other labor action. Transmission Provider shall give timely written notice to Interconnection Customer

describing the circumstances of uncontrollable forces which prevent the fulfillment of obligation of this Agreement. Transmission Provider shall give timely written notice to Interconnection Customer that the uncontrollable forces which prevented the fulfillment of obligations of this Agreement are no longer present and work has resumed on those obligations.

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

7.10.1 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 Agreement and carry out the transactions contemplated hereby and perform and carry out all covenants and obligations on its part to be performed under and pursuant to this Agreement.

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

7.10.3 No Conflict. The execution, delivery, and performance of this Agreement does not violate or conflict with the organizational or formation documents, or bylaws or operating agreement, of such Party, or any judgment, license, permit, order, material agreement, or instrument applicable to or binding upon such Party or any of its assets.

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

All notices, requests, demands, and other communications required or permitted under this Agreement shall be in writing, unless otherwise agreed by the Parties, and shall be delivered in person or sent by certified mail, postage prepaid, by overnight delivery, or by electronic

mail properly addressed as follows:

When delivered to Transmission Provider:

[INSERT]

When delivered to Interconnection Customer:

[INSERT]

7.12 Tariff. This Agreement is subject to Transmission Provider’s Tariff, as may be amended from time-to-time.

7.13 Multiple Counterparts. This Agreement may be executed in two (2) or more counterparts, each of which is deemed an original but all constitute one and the same instrument.

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

**[Insert name of Transmission Provider or Transmission Owner, if applicable]**

By: \_\_\_\_\_ By: \_\_\_\_\_

Title: \_\_\_\_\_ Title: \_\_\_\_\_

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

**[Insert name of Interconnection Customer]**

By: \_\_\_\_\_

Title: \_\_\_\_\_

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

**Attachment A to Appendix 2**  
~~3-Cluster Study~~  
~~Agreement~~**Interconnection**  
**System Impact**  
~~Study Agreement~~

**ASSUMPTIONS USED IN CONDUCTING THE ~~CLUSTER -INTERCONNECTION SYSTEM~~  
~~IMPACT~~ STUDY**

The ~~Cluster Interconnection System Impact~~ Study will be based upon the ~~technical information provided by Interconnection Customer in the Interconnection Request~~ results of the Interconnection Feasibility Study, subject to any modifications in accordance with Section 4.4 of this ~~e~~-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]

4  
**APPENDIX 34 to LGIP**  
**INTERCONNECTION FACILITIES STUDY AGREEMENT**

**THIS AGREEMENT** is made and entered into this \_\_\_ day of \_\_\_\_\_, 20\_\_ by and between \_\_\_\_\_, a(n) \_\_\_\_\_ organized and existing under the laws of the State of \_\_\_\_\_, (Interconnection Customer) and \_\_\_\_\_ a(n) \_\_\_\_\_ organized 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; and

**WHEREAS**, Transmission Provider has completed a Cluster an Interconnection System Impact Study (the "Cluster 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 Cluster Interconnection System Impact Study in accordance with Good Utility Practice to physically and electrically connect the Large Generating Facility to the Transmission System.

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

- 1.0 When used in this Agreement, with initial capitalization, the terms specified shall have the meanings indicated in Transmission Provider's LGIP.
- 2.0 Interconnection Customer elects and Transmission Provider shall cause an Interconnection Facilities Study consistent with Section 8.0 of this LGIP to be performed in accordance with the Tariff.

2

- 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 ~~R~~report i) shall provide a description, estimated cost of (consistent with Attachment A), schedule for required facilities to interconnect the Large Generating Facility to the Transmission System, and ii) shall address the short circuit, instability, and power flow issues identified in the [Cluster Interconnection System Impact Study](#).
- 5.0 Interconnection Customer shall provide a [Commercial Readiness Deposit per Section 8.1 of this LGIP to enter deposit of the lesser of \\$500,000 or eighty five percent of the estimated cost to prepare this study by the Transmission Provider 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 [for work performed each month above the study deposit](#). Interconnection Customer shall pay invoiced amounts within thirty (30) Calendar Days of receipt of invoice. Transmission Provider shall continue to hold the amounts of ~~fr~~ deposit until settlement of the final invoice.

- 6.0 ~~Miscellaneous. The Interconnection Facilities Study Agreement shall include standard miscellaneous terms including, but not limited to, indemnities, representations, disclaimers, warranties, governing law, amendment, execution, waiver, enforceability and assignment, that reflect best practices in the electric industry, and that are consistent with regional practices, Applicable Laws and Regulations, and the organizational nature of each Party. All of these provisions, to the extent practicable, shall be consistent with the provisions of the LGIP and the LGIA.~~

[6.1 Binding Effect. This Agreement and the rights and obligations hereof, shall be binding upon and shall inure to the benefit of the successors and assigns of the Parties hereto.](#)

[6.2 Entire Agreement. This Agreement including all Appendices and Schedules attached hereto contain the entire agreement among the Parties and constitutes the complete, final and exclusive embodiment of their agreement with respect to the subject matter hereof, and may only be modified by a writing signed by either all of the Parties hereto or signed on behalf of the Parties.](#)

[6.3 No Third Party Beneficiary. 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.

6.4 Waivers. Any waiver, which such waiver must be in writing, at any time by any Party of its rights with respect to a default under this Agreement, or with respect to any other matter arising in connection with said Agreement, shall not be deemed a waiver with respect to any subsequent default or other matter arising in connection therewith. The failure of a Party to this Agreement to insist, on any occasion, upon strict performance of any provision of this Agreement will not be considered a waiver of any obligation, right, or duty of, or imposed upon, such Party. Any delay, short of the statutory period of limitation in asserting or enforcing any right, shall not be deemed a waiver of such right.

6.5 Headings. The descriptive headings of the various Articles of this Agreement have been inserted for convenience of reference only and are of no significance in the interpretation or construction of this Agreement.

6.6 Governing Law and Venue. This Agreement shall be interpreted and enforced in accordance with the substantive and procedural laws of the State of California. All actions or proceedings arising in connection with this Agreement shall be tried and litigated exclusively in State court located in Sacramento County, California and/or Federal court located in Sacramento County, California. The aforementioned choice of venue is mandatory, thereby precluding the possibility of litigation between the Parties with respect to or arising out of this Agreement in any jurisdiction other than that specified in this section. Each Party hereby waives any right it may have to assert the doctrine of forum non conveniens or a similar doctrine or to object to venue with respect to any proceeding brought in accordance with this section, and stipulates that the State court located in Sacramento County, California, and/or Federal court located in Sacramento County, California, shall have in personam jurisdiction and venue over each of them for the purpose of litigating any dispute or proceeding arising out of or related to this Agreement. Each Party hereby authorizes service of process sufficient for personal jurisdiction in any action against it at the address and in the manner for the giving of notice as set forth in this Agreement.

6.7 Indemnification. The Interconnection Customer shall at all times indemnify, defend, and save the Transmission Provider harmless from, any and all damages, losses, claims, including claims and actions relating to injury to or death of any person or damage to property, demands, suits, recoveries, costs and expenses, court costs, attorney fees, and all other obligations by or to third parties, arising out of or resulting from the Transmission Provider's performance of its obligations under this Tariff on behalf of the Interconnection Customer, except in cases of gross negligence or intentional wrongdoing by the Transmission Provider.

6.8 No Warranty. Transmission Provider's Interconnection Facilities Study shall not be construed as confirming or endorsing the design, or as any warranty of safety, durability, reliability, or suitability of Interconnection Customer's Generating

Facility or installation thereof for any use, including the use intended by Interconnection Customer.

6.9 Uncontrollable Forces. Transmission Provider shall not be considered to be in Default of the provisions of this Agreement if delays in or failure of performance shall be due to uncontrollable forces, the effect of which, by the exercise of Reasonable Efforts, Transmission Provider could not avoid. The term uncontrollable forces as it pertains to this section shall mean any event which results in the prevention or delay of performance by Transmission Provider of its obligations under this Agreement and which is beyond the control of Transmission Provider. The term uncontrollable forces includes, but is not limited to, fire, acts of God, flood, earthquakes, storms, lightning, epidemic, war, riot, civil disturbance, sabotage, strikes, work slowdowns, or other labor disturbances, and judicial constraint. The provisions of this section shall not be interpreted or construed to require Transmission Provider to prevent, settle, or otherwise avoid a strike, work slowdown, or other labor action. Transmission Provider shall give timely written notice to Interconnection Customer describing the circumstances of uncontrollable forces which prevent the fulfillment of obligation of this Agreement. Transmission Provider shall give timely written notice to Interconnection Customer that the uncontrollable forces which prevented the fulfillment of obligations of this Agreement are no longer present and work has resumed on those obligations.

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

6.10.1 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 Agreement and carry out the transactions contemplated hereby and perform and carry out all covenants and obligations on its part to be performed under and pursuant to this Agreement.

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

6.10.3 No Conflict. The execution, delivery, and performance of this Agreement does not violate or conflict with the organizational or formation documents, or bylaws or operating agreement, of such Party, or any judgment, license, permit, order, material agreement, or instrument applicable to or binding upon such Party or any of its assets.

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

All notices, requests, demands, and other communications required or permitted under this Agreement shall be in writing, unless otherwise agreed by the Parties, and shall be delivered in person or sent by certified mail, postage prepaid, by overnight delivery, or by electronic mail properly addressed as follows:

When delivered to Transmission Provider:

[INSERT]

When delivered to Interconnection Customer:

[INSERT]

6.12 Tariff. This Agreement is subject to Transmission Provider's Tariff, as may be amended from time-to-time.

6.13 Multiple Counterparts. This Agreement may be executed in two (2) or more counterparts, each of which is deemed an original but all constitute one and the same instrument.

Transmission Agency of Northern California

Open Access Transmission Tariff

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 34  
Interconnection Facilities ~~Study Agreement~~  
~~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 ~~R~~report to Interconnection Customer within ~~one hundred eighty (180) Calendar Days the following number of days~~ after ~~of~~ receipt of an executed copy of this Interconnection Facilities Study Agreement, ~~with no more than a +/- 10 percent cost estimate contained in the report.~~

- ~~• One hundred eighty (180) Ninety (90) Calendar Days with no more than a +/- 20 percent cost estimate contained in the report, or~~
- ~~• Two hundred seventy (270) One hundred eighty (180) Calendar Days with no more than a +/- 10 percent cost estimate contained in the report.~~

**Attachment B to Appendix 34  
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:  
\_\_\_\_\_



1  
**APPENDIX 45 to LGIP**  
**OPTIONAL INTERCONNECTION STUDY AGREEMENT**

**THIS AGREEMENT** is made and entered into this \_\_\_ day of \_\_\_\_\_, 20\_\_ by and between \_\_\_\_\_, a(n) \_\_\_\_\_ organized and existing under the laws of the State of \_\_\_\_\_, (Interconnection Customer) and \_\_\_\_\_ a(n) \_\_\_\_\_ [organized 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 \_\_\_\_\_;

**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 [Cluster Interconnection System Impact](#) Study results, Interconnection Customer has further requested that Transmission Provider prepare an Optional Interconnection Study;

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

- 1.0 When used in this Agreement, with initial capitalization, the terms specified shall have the meanings indicated in Transmission Provider's LGIP.
- 2.0 Interconnection Customer elects and Transmission Provider shall cause an Optional Interconnection Study consistent with Section 10.0 of this LGIP to be performed in accordance with the Tariff.
- 3.0 The scope of the Optional Interconnection Study shall be subject to the assumptions set forth in Attachment A to this Agreement.
- 4.0 The Optional Interconnection Study shall be performed solely for informational purposes.

- 5.0 The Optional Interconnection Study report shall provide a sensitivity analysis based on the assumptions specified by Interconnection Customer in Attachment A to this Agreement. The Optional Interconnection Study will identify Transmission Provider's Interconnection Facilities and the Network Upgrades, and the estimated cost thereof, which 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 the lesser of \$90,000 or eighty-five (85) percent of the estimated cost to prepare this study by the Transmission Provider 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].

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

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 LCIP and the LGIA.~~

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

7.2 Entire Agreement. This Agreement including all Appendices and Schedules attached hereto contain the entire agreement among the Parties and constitutes the complete, final and exclusive embodiment of their agreement with respect to the subject matter hereof, and may only be modified by a writing signed by either all of the Parties hereto or signed on behalf of the Parties.

7.3 No Third Party Beneficiary. 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.

7.4 Waivers. Any waiver, which such waiver must be in writing, at any time by any Party of its rights with respect to a default under this Agreement, or with respect to any other matter arising in connection with said Agreement, shall not be deemed a waiver with respect to any subsequent default or other matter arising in connection therewith. The failure of a Party to this Agreement to insist, on any occasion, upon strict performance of any provision of this Agreement will not be considered a waiver of any obligation, right, or duty of, or imposed upon, such Party. Any delay, short of the statutory period of limitation in asserting or enforcing any right, shall not be deemed a waiver of such right.

7.5 Headings. The descriptive headings of the various Articles of this Agreement have been inserted for convenience of reference only and are of no significance in the interpretation or construction of this Agreement.

7.6 Governing Law and Venue. This Agreement shall be interpreted and enforced in accordance with the substantive and procedural laws of the State of California. All actions or proceedings arising in connection with this Agreement shall be tried and litigated exclusively in State court located in Sacramento County, California and/or Federal court located in Sacramento County, California. The aforementioned choice of venue is mandatory, thereby precluding the possibility of litigation between the Parties with respect to or arising out of this Agreement in any jurisdiction other than that specified in this section. Each Party hereby waives any right it may have to assert the doctrine of forum non conveniens or a similar doctrine or to object to venue with respect to any proceeding brought in accordance with this section, and stipulates that the State court located in Sacramento County, California, and/or Federal court located in Sacramento County, California, shall have in personam jurisdiction and venue over each of them for the purpose of litigating any dispute or proceeding arising out of or related to this Agreement. Each Party hereby authorizes service of process sufficient for personal jurisdiction in any action against it at the address and in the manner for the giving of notice as set forth in this Agreement.

7.7 Indemnification. The Interconnection Customer shall at all times indemnify, defend, and save the Transmission Provider harmless from, any and all damages, losses, claims, including claims and actions relating to injury to or death of any person or damage to property, demands, suits, recoveries, costs and expenses, court costs, attorney fees, and all other obligations by or to third parties, arising out of or resulting from the Transmission Provider's performance of its obligations under this Tariff on behalf of the Interconnection Customer, except in cases of gross negligence or intentional wrongdoing by the Transmission Provider.

7.8 No Warranty. Transmission Provider's Optional Interconnection Study shall not be construed as confirming or endorsing the design, or as any warranty of safety, durability, reliability, or suitability of Interconnection Customer's Generating Facility or installation thereof for any use, including the use intended by Interconnection Customer.

7.9 Uncontrollable Forces. Transmission Provider shall not be considered to be in Default of the provisions of this Agreement if delays in or failure of performance shall be due to uncontrollable forces, the effect of which, by the exercise of Reasonable Efforts, Transmission Provider could not avoid. The term uncontrollable forces as it pertains to this section shall mean any event which results in the prevention or delay of performance by Transmission Provider of its obligations under this Agreement and which is beyond the control of Transmission Provider. The term uncontrollable forces includes, but is not limited to, fire, acts of God, flood, earthquakes, storms, lightning, epidemic, war, riot, civil disturbance, sabotage, strikes, work slowdowns, or other labor disturbances, and judicial constraint. The provisions of this section shall not be interpreted or construed to require Transmission Provider to prevent, settle, or otherwise avoid a strike, work slowdown, or other labor action. Transmission Provider shall give timely written notice to Interconnection Customer describing the circumstances of uncontrollable forces which prevent the fulfillment of obligation of this Agreement. Transmission Provider shall give timely written notice to Interconnection Customer that the uncontrollable forces which prevented the fulfillment of obligations of this Agreement are no longer present and work has resumed on those obligations.

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

7.10.1 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 Agreement and carry out the transactions contemplated hereby and perform and carry out all covenants and obligations on its part to be performed under and pursuant to this Agreement.

7.10.2 Authority. Such Party has the right, power, and authority to enter into this Agreement, to become a Party hereto and to perform its obligations hereunder. This Agreement is a legal, valid, and binding obligation of such Party, enforceable against such Party in accordance with its terms, except as the enforceability thereof may be limited by applicable bankruptcy, insolvency, reorganization or other similar laws affecting

creditors' rights generally and by general equitable principles (regardless of whether enforceability is sought in a proceeding in equity or at law).

7.10.3 No Conflict. The execution, delivery, and performance of this Agreement does not violate or conflict with the organizational or formation documents, or bylaws or operating agreement, of such Party, or any judgment, license, permit, order, material agreement, or instrument applicable to or binding upon such Party or any of its assets.

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

All notices, requests, demands, and other communications required or permitted under this Agreement shall be in writing, unless otherwise agreed by the Parties, and shall be delivered in person or sent by certified mail, postage prepaid, by overnight delivery, or by electronic mail properly addressed as follows:

When delivered to Transmission Provider:

[INSERT]

When delivered to Interconnection Customer:

[INSERT]

7.14 Tariff. This Agreement is subject to Transmission Provider's Tariff, as may be amended from time-to-time.

7.15 Multiple Counterparts. This Agreement may be executed in two (2) or more counterparts, each of which is deemed an original but all constitute one and the same instrument.

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 5 to LGIP
TECHNOLOGICAL ADVANCEMENT REQUEST AND STUDY AGREEMENT

THIS AGREEMENT is made and entered into this day of , 20 by and between , a(n) organized and existing under the laws of the State of , (Interconnection Customer) and a(n) organized 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, the Interconnection Customer submitted a generation interconnection request dated requesting Interconnection Customer's Large Generating Facility to be connected to Transmission Provider's electrical system;

WHEREAS, Interconnection Customer is proposing to modify its generation interconnection request, as described in the Interconnection Customer's Technological Advancement Request submitted by Interconnection Customer dated \_\_\_\_\_;

WHEREAS, Transmission Provider is required to perform an initial analysis of the Technological Advancement Request pursuant to Section 4.4.6 of Transmission Provider's Large Generator Interconnection Procedures ("LGIP");

WHEREAS, Transmission Provider may determine, pursuant to Section 4.4.6, that further study is required to conclude whether the Technological Advancement Request is a Permissible Technological Advancement;

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

1. When used in this Agreement, with initial capitalization, the terms specified shall have the meanings indicated in the Transmission Provider's LGIP.
2. Interconnection Customer elects and Transmission Provider shall cause to be performed an initial analysis of the Technological Advancement Request pursuant to Section 4.4.6, and, if Transmission Provider determines pursuant to Section 4.4.6 that additional study is necessary, a study consistent with Section 4.4.6 of the LGIP ("Technological Advancement Study").
3. The scope and performance of the initial analysis shall be pursuant to Section 4.4.6. The scope of the Technological Advancement Study, if any, shall be subject to the assumptions set forth in Attachment A to this Agreement.
4. If Transmission Provider determines pursuant to Section 4.4.6 that additional study is necessary, the Technological Advancement Study will be based on the assumptions set forth in Attachment A to this Agreement, the results of the technical information provided by Interconnection Customer, applicable requirements in Transmission Provider's LGIP.
5. If Transmission Provider determines pursuant to Section 4.4.6, that additional study is necessary, 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 Technological Advancement Study.
6. The Technological Advancement Study report shall provide the following information: Summary of study conclusions; and either a determination of whether the Interconnection Customer's Technological Advancement Request constitutes a Permissible Technological

Advancement; or a determination and explanation of whether the Interconnection Customer's Technological Advancement Request is a Material Modification, requiring a new interconnection request to be submitted.

7. Transmission Provider shall invoice Interconnection Customer on a monthly basis for the work to be conducted on the Technological Advancement Study each month for work performed each month above the deposit. Interconnection Customer shall pay invoiced amounts within thirty (30) Calendar Days of receipt of invoice.

8. Miscellaneous

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

8.2 Entire Agreement. This Agreement including all Appendices and Schedules attached hereto contain the entire agreement among the Parties and constitutes the complete, final and exclusive embodiment of their agreement with respect to the subject matter hereof, and may only be modified by a writing signed by either all of the Parties hereto or signed on behalf of the Parties.

8.3 No Third Party Beneficiary. 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.

8.4 Waivers. Any waiver, which such waiver must be in writing, at any time by any Party of its rights with respect to a default under this Agreement, or with respect to any other matter arising in connection with said Agreement, shall not be deemed a waiver with respect to any subsequent default or other matter arising in connection therewith. The failure of a Party to this Agreement to insist, on any occasion, upon strict performance of any provision of this Agreement will not be considered a waiver of any obligation, right, or duty of, or imposed upon, such Party. Any delay, short of the statutory period of limitation in asserting or enforcing any right, shall not be deemed a waiver of such right.

8.5 Headings. The descriptive headings of the various Articles of this Agreement have been inserted for convenience of reference only and are of no significance in the interpretation or construction of this Agreement.

8.6 Governing Law and Venue. This Agreement shall be interpreted and enforced in accordance with the substantive and procedural laws of the State of California. All actions or proceedings arising in connection with this Agreement shall be tried and litigated exclusively in State court located in Sacramento County, California and/or Federal court located in Sacramento County, California. The aforementioned choice of venue is mandatory, thereby precluding the possibility of litigation between the Parties with

respect to or arising out of this Agreement in any jurisdiction other than that specified in this section. Each Party hereby waives any right it may have to assert the doctrine of forum non conveniens or a similar doctrine or to object to venue with respect to any proceeding brought in accordance with this section, and stipulates that the State court located in Sacramento County, California, and/or Federal court located in Sacramento County, California, shall have in personam jurisdiction and venue over each of them for the purpose of litigating any dispute or proceeding arising out of or related to this Agreement. Each Party hereby authorizes service of process sufficient for personal jurisdiction in any action against it at the address and in the manner for the giving of notice as set forth in this Agreement.

8.7 Indemnification. The Interconnection Customer shall at all times indemnify, defend, and save the Transmission Provider harmless from, any and all damages, losses, claims, including claims and actions relating to injury to or death of any person or damage to property, demands, suits, recoveries, costs and expenses, court costs, attorney fees, and all other obligations by or to third parties, arising out of or resulting from the Transmission Provider's performance of its obligations under this Tariff on behalf of the Interconnection Customer, except in cases of gross negligence or intentional wrongdoing by the Transmission Provider.

8.8 No Warranty. Transmission Provider's Technological Advancement Study shall not be construed as confirming or endorsing the design, or as any warranty of safety, durability, reliability, or suitability of Interconnection Customer's Generating Facility or installation thereof for any use, including the use intended by Interconnection Customer.

8.9 Uncontrollable Forces. Transmission Provider shall not be considered to be in Default of the provisions of this Agreement if delays in or failure of performance shall be due to uncontrollable forces, the effect of which, by the exercise of Reasonable Efforts, Transmission Provider could not avoid. The term uncontrollable forces as it pertains to this section shall mean any event which results in the prevention or delay of performance by Transmission Provider of its obligations under this Agreement and which is beyond the control of Transmission Provider. The term uncontrollable forces includes, but is not limited to, fire, acts of God, flood, earthquakes, storms, lightning, epidemic, war, riot, civil disturbance, sabotage, strikes, work slowdowns, or other labor disturbances, and judicial constraint. The provisions of this section shall not be interpreted or construed to require Transmission Provider to prevent, settle, or otherwise avoid a strike, work slowdown, or other labor action. Transmission Provider shall give timely written notice to Interconnection Customer describing the circumstances of uncontrollable forces which prevent the fulfillment of obligation of this Agreement. Transmission Provider shall give timely written notice to Interconnection Customer that the uncontrollable forces which prevented the fulfillment of obligations of this Agreement are no longer present and work has resumed on those obligations.

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

8.10.1 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 Agreement and carry out the transactions contemplated hereby and perform and carry out all covenants and obligations on its part to be performed under and pursuant to this Agreement.

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

8.10.3 No Conflict. The execution, delivery, and performance of this Agreement does not violate or conflict with the organizational or formation documents, or bylaws or operating agreement, of such Party, or any judgment, license, permit, order, material agreement, or instrument applicable to or binding upon such Party or any of its assets.

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

All notices, requests, demands, and other communications required or permitted under this Agreement shall be in writing, unless otherwise agreed by the Parties, and shall be delivered in person or sent by certified mail, postage prepaid, by overnight delivery, or by electronic mail properly addressed as follows:

When delivered to Transmission Provider:

[INSERT]

When delivered to Interconnection Customer:

[INSERT]

8.12 Tariff. This Agreement is subject to Transmission Provider's Tariff, as may be amended from time-to-time.

8.13 Multiple Counterparts. This Agreement may be executed in two (2) or more counterparts, each of which is deemed an original but all constitute one and the same instrument.

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 5  
Technological Advancement Request and Study Agreement**

**ASSUMPTIONS USED IN CONDUCTING THE TECHNOLOGICAL ADVANCEMENT STUDY**

The Technological Advancement Study will be based upon the following assumptions:

Transmission Agency of Northern California

Open Access Transmission Tariff

**APPENDIX [656](#)  
TO THE  
STANDARD LARGE GENERATOR  
INTERCONNECTION PROCEDURES (LGIP)**

Transmission Agency of Northern California

Open Access Transmission Tariff

**STANDARD LARGE GENERATOR  
INTERCONNECTION AGREEMENT (LGIA)  
(Applicable to Generating Facilities that exceed 20 MW)**

**TABLE OF CONTENTS** ~~LGIA~~

**Page No.**

RECITALS.....	1
Article 1. Definitions.....	2
Article 2. Effective Date, Term, and Termination.....	1511
2.1 Scope of Transmission Provider’s Responsibility.....	1511
2.2 Effective Date.....	1511
2.3 Term of Agreement.....	1611
2.4 Termination Procedures.....	1612
2.4.1 Written Notice.....	1612
2.4.2 Default.....	1612
2.5 Termination Costs.....	1612
2.6 Disconnection.....	1713
2.7 Survival.....	1713
Article 3. Reserved.....	1813
Article 4. Scope of Service.....	1814
4.1 Interconnection Product Options.....	1814
4.1.1 Energy Resource Interconnection Service.....	1814
4.1.1.1 The Product.....	1814
4.1.1.2 Transmission Delivery Service Implications.....	1814
4.1.2 Network Resource Interconnection Service.....	1915
4.1.2.1 The Product (Not Applicable Unless TANC is Able to Offer NRIS).....	1915
4.1.2.2 Transmission Delivery Service Implications.....	1915
4.2 Provision of Service.....	2217
4.3 Performance Standards.....	2217
4.4 No Transmission Delivery Service.....	2217
4.5 Interconnection Customer Provided Services.....	2217
Article 5. Interconnection Facilities Engineering, Procurement, and Construction.....	2217
5.1 Options.....	2317
5.1.1 Standard Option.....	2418
5.1.2 Alternate Option.....	2418
5.1.3 Option to Build.....	2518
5.1.4 Negotiated Option.....	2519
5.2 General Conditions Applicable to Option to Build.....	2519
5.3 Liquidated Damages.....	2821
5.4 Power System Stabilizers.....	2922
5.5 Equipment Procurement.....	2922
5.6 Construction Commencement.....	3022
5.7 Work Progress.....	3023

5.8	Information Exchange .....	3023
5.9	Other Interconnection Options .....	3123
5.9.1	Limited Operation.....	3123
5.9.2	Provisional Interconnection Service.....	3124
5.10	Interconnection Customer's Interconnection Facilities (ICIF).....	3224
5.10.1	Interconnection Customer's Interconnection Facility Specifications .....	3224
5.10.2	Transmission Provider's Review. ....	3225
5.10.3	ICIF Construction.....	3325
5.11	Transmission Provider's Interconnection Facilities Construction.....	3325
5.12	Access Rights.....	3326
5.13	Lands of Other Property Owners.....	3426
5.14	Permits.....	3426
5.15	Early Construction of Base Case Facilities.....	3427
5.16	Suspension.....	3627
5.17	Taxes.....	3628
5.17.1	Interconnection Customer Payments Not Taxable.....	3628
5.17.2	Indemnification for the Cost Consequences of Current Tax Liability Imposed Upon Transmission Provider.....	3728
5.17.3	Taxes Other Than Income Taxes.....	4228
5.18	Tax Status.....	4329
5.19	Modification.....	4329
5.19.1	General.....	4329
5.19.2	Standards.....	4329
5.19.3	Modification Costs.....	4329
Article 6	Testing and Inspection.....	4530
6.1	Pre-Commercial Operation Date Testing and Modifications.....	4530
6.2	Post-Commercial Operation Date Testing and Modifications.....	4530
6.3	Right to Observe Testing.....	4530
6.4	Right to Inspect.....	4630
Article 7	Metering.....	4631
7.1	General.....	4631
7.2	Check Meters.....	4631
7.3	Standards.....	4732
7.4	Testing of Metering Equipment.....	4732
7.5	Metering Data.....	4732
Article 8	Communications.....	4832
8.1	Interconnection Customer Obligations.....	4832
8.2	Remote Terminal Unit.....	4833
8.3	No Annexation.....	4833
8.4	Provision of Data from a Variable Energy Resource.....	4933
Article 9	Operations.....	5034
9.1	General.....	5034
9.2	Balancing Authority Area Notification.....	5034

9.3	Transmission Provider Obligations.....	5035
9.4	Interconnection Customer Obligations.....	5035
9.5	Start-Up and Synchronization.....	5135
9.6	Reactive Power and Primary Frequency Response.....	5136
9.6.1	Power Factor Design Criteria.....	5136
9.6.1.1	Synchronous Generation.....	5136
9.6.1.2	Non-Synchronous Generation.....	5136
9.6.2	Voltage Schedules.....	5236
9.6.2.1	Voltage Regulators.....	5237
9.6.3	Payment for Reactive Power.....	5237
9.6.4	Primary Frequency Response.....	5337
9.6.4.1	Governor or Equivalent Controls.....	5438
9.6.4.2	Timely and Sustained Response.....	5439
9.6.4.3	Exemptions.....	5539
9.6.4.4	Electric Storage Resources.....	5540
9.7	Outages and Interruptions.....	5641
9.7.1	Outages.....	5641
9.7.1.1	Outage Authority and Coordination.....	5641
9.7.1.2	Outage Schedules.....	5741
9.7.1.3	Outage Restoration.....	5742
9.7.2	Interruption of Service.....	5742
9.7.3	Ride Through Capability and Performance.....	5843
9.7.4	System Protection and Other Control Requirements.....	5944
9.7.4.1	System Protection Facilities.....	5944
9.7.5	Requirements for Protection.....	6144
9.7.6	Power Quality.....	6145
9.8	Switching and Tagging Rules.....	6145
9.9	Use of Interconnection Facilities by Third Parties.....	6245
9.9.1	Purpose of Interconnection Facilities.....	6245
9.9.2	Third Party Users.....	6246
9.10	Disturbance Analysis Data Exchange.....	6246
Article 10	Maintenance.....	6346
10.1	Transmission Provider Obligations.....	6346
10.2	Interconnection Customer Obligations.....	6346
10.3	Coordination.....	6347
10.4	Secondary Systems.....	6347
10.5	Operating and Maintenance Expenses.....	6347
Article 11	Performance Obligation.....	6447
11.1	Interconnection Customer Interconnection Facilities.....	6447
11.2	Transmission Provider's Interconnection Facilities.....	6448
11.3	Network Upgrades and Distribution Upgrades.....	6448
11.4	Transmission Credits.....	6448
11.4.1	Repayment of Amounts Advanced for Network Upgrades.....	6448
11.4.2	Special Provisions for Affected Systems.....	6549
11.6	Interconnection Customer Compensation.....	6750

11.6.1	Interconnection Customer Compensation for Actions During Emergency Condition .....	6850
Article 12	Invoice .....	6851
12.1	General .....	6851
12.2	Final Invoice .....	6851
12.3	Payment .....	6951
12.4	Disputes .....	6951
Article 13	Emergencies .....	6952
13.1	Definition .....	6952
13.2	Obligations .....	7052
13.3	Notice .....	7052
13.4	Immediate Action .....	7052
13.5	Transmission Provider Authority .....	7153
13.5.1	General .....	7153
13.5.2	Reduction and Disconnection .....	7154
13.6	Interconnection Customer Authority .....	7254
13.7	Limited Liability .....	7254
Article 14	Regulatory Requirements and Governing Law .....	7255
14.1	Regulatory Requirements .....	7255
14.2	Governing Law .....	7355
14.3	Jurisdiction .....	7355
Article 15	Notices .....	7355
15.1	General .....	7355
15.2	Billings and Payments .....	7456
15.3	Alternative Forms of Notice .....	7456
15.4	Operations and Maintenance Notice .....	7456
Article 16	Force Majeure .....	7456
16.1	Force Majeure .....	7456
Article 17	Default .....	7557
17.1	Default .....	7557
17.2	Violation of Operating Assumptions for Generating Facilities .....	7557
Article 18	Indemnity, Consequential Damages and Insurance .....	7658
18.1	Indemnity .....	7658
18.1.1	Indemnified Person .....	7758
18.1.2	Indemnifying Party .....	7758
18.1.3	Indemnity Procedures .....	7758
18.2	Consequential Damages .....	7859
18.3	Insurance .....	7859
Article 19	Assignment .....	8061
19.1	Assignment .....	8061
Article 20	Severability .....	8162

20.1 Severability.....	8162
Article 21 Comparability.....	8162
21.1 Comparability.....	8162
Article 22 Confidentiality.....	8162
22.1 Confidentiality.....	8162
22.1.1 Term.....	8262
22.1.2 Scope.....	8263
22.1.3 Release of Confidential Information.....	8263
22.1.4 Rights.....	8364
22.1.5 No Warranties.....	8364
22.1.6 Standard of Care.....	8364
22.1.7 Order of Disclosure.....	8364
22.1.8 Termination of Agreement.....	8465
22.1.9 Remedies.....	8465
22.1.10 Disclosure to FERC, its Staff, or a State.....	8465
22.1.11 Treatment of Confidential Information.....	8566
Article 23 Environmental Releases.....	8666
Article 24 Information Requirements.....	8666
24.1 Information Acquisition.....	8666
24.2 Information Submission by Transmission Provider.....	8667
24.3 Updated Information Submission by Interconnection Customer.....	8767
24.4 Information Supplementation.....	8767
Article 25 Information Access and Audit Rights.....	8868
25.1 Information Access.....	8868
25.2 Reporting of Non-Force Majeure Events.....	8868
25.3 Audit Rights.....	8969
25.4 Audit Rights Periods.....	8969
25.4.1 Audit Rights Period for Construction-Related Accounts and Records.....	8969
25.4.2 Audit Rights Period for All Other Accounts and Records.....	8969
25.5 Audit Results.....	8970
Article 26 Subcontractors.....	9070
26.1 General.....	9070
26.2 Responsibility of Principal.....	9070
26.3 No Limitation by Insurance.....	9070
Article 27 Disputes.....	9070
27.1 Submission.....	9070
27.2 External Arbitration Procedures.....	9171
27.3 Arbitration Decisions.....	9171
27.4 Costs.....	9272
Article 28 Representations, Warranties, and Covenants.....	9272
28.1 General.....	9272

28.1.1	Good Standing.....	9272
28.1.2	Authority.....	9272
28.1.3	No Conflict.....	9272
28.1.4	Consent and Approval.....	9373
Article 29	Joint Operating Committee.....	9373
29.1	Joint Operating Committee.....	9373
Article 30	Miscellaneous.....	9474
30.1	Binding Effect.....	9474
30.2	Conflicts.....	9474
30.3	Rules of Interpretation.....	9474
30.4	Entire Agreement.....	9575
30.5	No Third Party Beneficiaries.....	9575
30.6	Waiver.....	9575
30.7	Headings.....	9675
30.8	Multiple Counterparts.....	9676
30.9	Amendment.....	9676
30.10	Modification by the Parties.....	9676
30.11	Reserved.....	9676
30.12	No Partnership.....	9676

Appendix A - Interconnection Facilities, Network Upgrades, and Distribution Upgrades

Appendix B – Milestones

Appendix C – Interconnection Details

Appendix D – Security Arrangements Details

Appendix E – Commercial Operation Date

Appendix F – Addresses for Delivery of Notices and Billings

Appendix G – Requirements of Generators Relying on Newer Technologies

Appendix H – Interconnection Requirements for a Wind Generating Plant

[Appendix I – Operating Assumptions for Generating Facility](#)

**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 (OATT).

## 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 ~~the Electric Reliability Organization NERC, the Applicable Reliability Council,~~ and the Balancing Authority Area of the Transmission System to which the Generating Facility is directly interconnected.

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

**Balancing Authority Area** shall mean 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 Balancing Authority Areas, within the limits of Good Utility Practice.

**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.

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

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

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

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

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

**Commercial Operation** shall mean the status of a Generating Facility that has commenced generating electricity for sale, excluding electricity generated during Trial Operation.

**Commercial Operation Date** of a unit shall mean the date on which the Generating Facility commences Commercial Operation as agreed to by the Parties pursuant to Appendix E to the Standard Large Generator Interconnection Agreement.

**Confidential Information** shall mean any confidential, proprietary or trade secret information of a plan, specification, pattern, procedure, design, device, list, concept, policy or compilation relating to the present or planned business of a Party, which is designated as confidential by the Party supplying the information, whether conveyed orally, electronically, in writing, through inspection, or otherwise.

**Contingent Facilities** shall mean those unbuilt Interconnection Facilities, and Network Upgrades, and/or planned upgrades not yet in service upon which the Interconnection Request's costs, timing, and study findings are dependent, and if delayed or not built, could cause a need for Re-Studies of the Interconnection Request or a reassessment of the Interconnection Facilities and/or Network Upgrades and/or costs and timing. Contingent Facilities are identified in Appendix A of this Standard Large Generator Interconnection Agreement.

**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, as further defined in Section 27.

**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.

**Electric Reliability Organization** shall mean [the North American Electric Reliability Corporation \(NERC\) or its successor organization.](#)

**Emergency Condition** shall mean a condition or situation: (1) that in the judgment of the Party making the claim is imminently likely to endanger life or property; or (2) that, in the case of a 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 more than one device for the multiple energy production devices and/or storage for later injection of electricity.

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

or act to the exclusion of all others, but rather to be acceptable practices, methods, or acts generally accepted in the region.

**Governmental Authority** shall mean any federal, state, local or other governmental regulatory or administrative agency, court, commission, department, board, or other governmental subdivision, legislature, rulemaking board, tribunal, or other governmental authority having jurisdiction over ~~the~~ Transmission Provider, its facilities, or the services, and exercising or entitled to exercise any administrative, executive, police, or taxing authority or power.

**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 [Cluster 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 [LGIP Standard Large Generator Interconnection Procedures](#).

**Interconnection Facilities Study Agreement** shall mean the form of agreement contained in Appendix ~~34~~ 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 ~~LGIP 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 Cluster Study, the Cluster Restudy, the Surplus Interconnection Service Feasibility Study, the Interconnection System Impact Study, and the Interconnection Facilities Study, the Affected System Study, Optional Interconnection Study, and Material Modification assessment described in the LGIP 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.

LGIA Deposit shall mean the deposit Interconnection Customer submits when returning the executed LGIA, or within ten (10) Business Days of requesting to proceed with Dispute Resolution procedures in LGIP Section 13.5 with respect to a draft LGIA.

**Loss** shall mean any and all losses relating to injury to or death of any person or damage to property, demand, suits, recoveries, costs and expenses, court costs, attorney fees, and all other obligations by or to third parties, arising out of or resulting from the other Party's performance, or non-performance of its obligations under the Standard Large Generator Interconnection Agreement on behalf of the Indemnifying Party, except in cases of gross negligence or intentional wrongdoing by the Indemnifying Party.

**Material Modification** shall mean those modifications that have a material impact on the cost or timing of any Interconnection Request with an equal or later- Queue Position~~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. Network Resource Interconnection Service in and of itself does not convey transmission service. Additionally, this service does not mean that TANC provides Network Integration Transmission Service in conjunction with a transmission service request. TANC only provides Point-to-Point Transmission Service through a transmission service request.

**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 ~~45~~ of the ~~LGIP 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.

[Proportional Impact Method shall mean a technical analysis conducted by Transmission Provider to determine the degree to which each Generating Facility in the Cluster Study contributes to the need for a specific System Network Upgrade.](#)

**Provisional Interconnection Service** shall mean Interconnection Service provided by 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 [Standard](#) Large Generator Interconnection Agreement, modified for provisional purposes.

**Queue Position** shall mean the order of a valid Interconnection Request, relative to all other pending valid Interconnection Requests, ~~established pursuant to Section 4.1 of this LGIP 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(s) and Transmission Provider conducted for the purpose of discussing [the proposed](#)

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

**Site Control** shall mean the exclusive land right to develop, construct, operate, and maintain the Generating Facility over the term of expected operation of the Generating Facility. Site Control may be demonstrated by documentation establishing reasonably demonstrating: 1) ownership of, a leasehold interest in, or a right to develop a site for the purpose of sufficient size to construct and operate constructing the Generating Facility; 2) an option to purchase or acquire a leasehold site purpose of sufficient size to construct and operate the Generating Facility for such purpose; or 3) any an exclusivity or other documentation that clearly demonstrates the right of business relationship between Interconnection Customer to exclusively and the entity having the right to sell, lease or grant Interconnection Customer the right to possess or occupy a site of sufficient size to construct and operate the Generating Facility. -Transmission Provider will maintain acreage requirements for each Generating Facility type on its OASIS or public website 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 and the following conditions are met: -(1) a Substation Network Upgrade must only be required for a single Interconnection Customer in the Cluster and no other Interconnection Customer in that Cluster is required to interconnect to the same Substation Network Upgrades, and (2) a System Network Upgrade must only be required for a single Interconnection Customer in the Cluster, as indicated under Transmission Provider's Proportional Impact Method. Both Transmission Provider and Interconnection Customer must agree as to what constitutes Stand Alone Network Upgrades and identify them in Appendix A to the Standard Large Generator Interconnection Agreement. If the Transmission Provider and Interconnection Customer disagree about whether a particular Network Upgrade is a Stand-Alone Network Upgrade, the Transmission Provider must provide the Interconnection Customer a written technical explanation outlining why the Transmission Provider does not consider the Network Upgrade to be a Stand Alone Network Upgrade within fifteen (15) Business dDays 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.

~~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.~~

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

**Surplus Interconnection Service** shall mean any unneeded portion of Interconnection Service established in a Standard Large Generator Interconnection Agreement, such that if Surplus Interconnection Service is utilized the total amount of Interconnection Service at the Point of Interconnection would remain the same.

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

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

**Tariff** shall mean ~~the~~ Transmission Provider's Tariff through which open access transmission service and Interconnection Service are offered, and as amended or supplemented from time to time, or any successor tariff.

**Transmission Owner** shall mean an entity that owns, leases or otherwise possesses an interest in the portion of the Transmission System at the Point of Interconnection and may be a Party to the Standard Large Generator Interconnection Agreement to the extent necessary.

**Transmission Provider** shall mean the Transmission Agency of Northern California.

**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.

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

## **Article 2. Effective Date, Term, and Termination**

### **2.1 Scope of Transmission Provider's Responsibility.**

Notwithstanding the provisions of the LGIP and this LGIA, the Transmission Provider is not required to provide or offer any service that the Transmission Provider determines, in its sole discretion, it is incapable of providing on its Transmission System or that will adversely impact the tax-exempt status of any financing.

### **2.2 Effective Date.**

This LGIA shall become effective upon execution by the Parties.

## 2.3 Term of Agreement.

Subject to the provisions of Article 2.43, 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.

## 2.4 Termination Procedures.

### 2.4.1 Written Notice.

This LGIA may be terminated by Interconnection Customer after giving Transmission Provider ninety (90) Calendar Days advance written notice, or by Transmission Provider after the Generating Facility permanently ceases Commercial Operation.

### 2.4.2 Default.

Either Party may terminate this LGIA in accordance with Article 17.

**2.4.3** Notwithstanding Articles 2.4.1 and 2.4.2, no termination shall become effective until the Parties have complied with all Applicable Laws and Regulations applicable to such termination, and Dispute Resolution, if such procedure has been invoked under this Agreement, has been resolved in favor of the terminating party.

## 2.5 Termination Costs.

If a Party elects to terminate this Agreement pursuant to Article 2.45 above, each Party shall pay all costs incurred (including any cancellation costs relating to orders or contracts for Interconnection Facilities and equipment) or charges assessed by the other Party, as of the date of the other Party's receipt of such notice of termination, that are the responsibility of the Terminating Party under this LGIA. In the event of termination by a Party, the Parties shall use commercially Reasonable Efforts to mitigate the costs, damages and charges arising as a consequence of termination. Upon termination of this LGIA:

~~2.5.1~~**2.5.1** 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.

- 2.5.2** 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.
- 2.5.3** 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.

## **2.6 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.

## **2.7 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. Reserved

## Article 4. Scope of Service

### 4.1 Interconnection Product Options.

Interconnection Customer has selected one of the following types of Interconnection Service:

#### ~~4.1.1~~ Energy Resource Interconnection Service. ~~(As Available)~~

#### ~~4.1.1~~

#### ~~4.1.2~~

#### ~~4.1.2.14.1.1.1~~ 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 of the LGIA.

#### ~~4.1.2.24.1.1.2~~ 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. No transmission delivery service from the Large Generating Facility is assured, but ~~the~~ Interconnection Customer may obtain point-to-point transmission delivery service or be used

for secondary network transmission service, pursuant to ~~the~~ Transmission Provider's Tariff, up to the maximum output identified in the stability and steady state studies. In those instances, in order for ~~the~~ 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 ~~the~~ 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 ~~the~~ Transmission Provider's Transmission System at such time as a transmission service request is made that would accommodate such delivery. The provision of firm ~~P~~point-to-~~P~~point ~~T~~ransmission ~~S~~ervice may require the construction of additional Network Upgrades.

#### **4.1.34.1.2 Network Resource Interconnection Service. ~~(Full Capacity)~~**

##### **4.1.3.14.1.2.1 The Product ~~(Not Applicable Unless TANC is Able to Offer NRIS)~~.**

~~The~~ Transmission Provider must conduct the necessary studies and construct the Network Upgrades needed to integrate the Large Generating Facility in a manner comparable to that in which Transmission Provider integrates its generating facilities to serve native load customers. Given that TANC has not integrated any generating facilities to serve native load it is unable to offer or study Network Resource Interconnection Service. Network Resource Interconnection Service in and of itself does not convey any transmission delivery service.

##### **4.1.3.24.1.2.2 Transmission Delivery Service Implications.**

Network Resource Interconnection Service allows ~~the~~ Interconnection Customer's Large Generating Facility to be designated by any Network Customer under the Tariff on ~~the~~ Transmission Provider's Transmission System as a Network Resource, up to the Large Generating Facility's full output, on the same basis as ~~all other~~ existing Network Resources interconnected to ~~the~~ 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 ~~other~~ 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 the Transmission Provider's Tariff.

Network Resource Interconnection Service does not necessarily provide ~~the~~ Interconnection Customer with the capability to physically deliver the output of its Large Generating Facility to any particular load on ~~the~~ Transmission Provider's Transmission System without incurring congestion costs. In the event of transmission constraints on ~~the~~ Transmission Provider's Transmission System, ~~the~~ Interconnection Customer's Large Generating Facility shall be subject to the applicable congestion management procedures in ~~the~~ Transmission Provider's Transmission System in the same manner as all other Network Resources.

There is no requirement either at the time of study or interconnection, or at any point in the future, that ~~the~~ Interconnection Customer's Large Generating Facility be designated as a Network Resource by a Network Service Customer under the Tariff or that ~~the~~ 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 ~~the~~ 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 ~~the~~ 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 ~~the~~ Interconnection Customer enters into an arrangement for long term transmission service for deliveries from the Large Generating Facility outside ~~the~~ Transmission Provider's Transmission System, such request may require additional studies and upgrades in order for ~~the~~ Transmission Provider to grant such request.

#### **4.2 Provision of Service.**

Transmission Provider shall provide Interconnection Service for the Large Generating Facility at the Point of Interconnection.

#### **4.3 Performance Standards.**

Each Party shall perform all of its obligations under this LGIA in accordance with Applicable Laws and Regulations, Applicable Reliability Standards, and Good Utility Practice, and to the extent a Party is required or prevented or limited in taking any action by such regulations and standards, such Party shall not be deemed to be in Breach of this LGIA for its compliance therewith.

#### **4.4 No Transmission Delivery Service.**

The execution of this LGIA does not constitute a request for, nor the provision of, any transmission delivery service under Transmission Provider's Tariff, and does not convey any right to deliver electricity to any specific customer or Point of Delivery.

#### **4.5 Interconnection Customer Provided Services.**

The services provided by Interconnection Customer under this LGIA are set forth in Article 9.6 and Article 13.5.1. Interconnection Customer shall be paid for such services in accordance with Article 11.6.

### **Article 5. Interconnection ~~\_\_\_\_\_~~ Facilities ~~\_\_\_\_\_~~ Engineering, Procurement, and Construction**

**5.1 Options.**

Unless otherwise mutually agreed to between the Parties, Interconnection Customer shall select the In-Service Date, Initial Synchronization Date, and Commercial Operation Date; and either the Standard Option or Alternate Option set forth below, and such dates and selected option shall be set forth in Appendix

\_B, Milestones. At the same time, Interconnection Customer shall indicate whether it elects to exercise the Option to Build set forth in Article 5.1.3 below. If the dates designated by Interconnection Customer are not acceptable to Transmission Provider, Transmission Provider shall so notify Interconnection Customer within thirty (30) Calendar Days. Upon receipt of the notification that Interconnection Customer's designated dates are not acceptable to Transmission Provider, ~~the~~ Interconnection Customer shall notify Transmission Provider within thirty (30) Calendar Days whether it elects to exercise the Option to Build if it has not already elected to exercise the Option to Build.

#### **5.1.1 Standard Option.**

Transmission Provider shall design, procure, and construct Transmission Provider's Interconnection Facilities and Network Upgrades, using Reasonable Efforts to complete Transmission Provider's Interconnection Facilities and Network Upgrades by the dates set forth in Appendix B, Milestones. Transmission Provider shall not be required to undertake any action which is inconsistent with its standard safety 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.

Individual or Multiple 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 if the requirements of this Article 5.1.3 are met. When multiple ~~5.~~Interconnection Customers exercise this option, multiple Interconnection Customers may agree to exercise this option provided (1-) all Transmission Provider's Interconnection Facilities and Stand Alone Network Upgrades constructed under this option are only required for Interconnection Customers in a single Cluster and (2-) all impacted Interconnection Customers execute and provide to Transmission Provider and an agreement regarding responsibilities and payment for the construction of Transmission Provider's Interconnection Facilities and Stand Alone Network Upgrades planned to be built under this option. -Transmission Provider and the individual Interconnection Customer or each of the multiple Interconnection Customers must agree as to what constitutes Stand Alone Network Upgrades and identify such Stand-Alone Network Upgrades in Appendix A. Except for Stand Alone Network Upgrades, Interconnection Customer shall have no right to construct Network Upgrades under this option.

### 5.1.4 Negotiated Option.

If the dates designated by Interconnection Customer are not acceptable to Transmission Provider, the Parties shall in good faith attempt to negotiate terms and conditions (including revision of the specified dates 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\_

(2) 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;

(9)

(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 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, ~~and~~

(11) 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 [Interconnection Facilities Study](#) pursuant to the [Interconnection Facilities Study Agreement](#); Transmission Provider has received written authorization to proceed with design and procurement from Interconnection Customer by the date specified in Appendix B, Milestones; and
- 5.5.2 Interconnection Customer has provided security to Transmission Provider in accordance with Article 11.5 by the dates specified in Appendix B, Milestones.

## **5.6 Construction Commencement.**

Transmission Provider shall commence construction of Transmission Provider's Interconnection Facilities and Network Upgrades for which it is responsible as soon as practicable after the following additional conditions are satisfied:

- 5.6.1** Approval of the appropriate Governmental Authority has been obtained for any facilities requiring regulatory approval;
- 5.6.2** Necessary real property rights and rights-of-way have been obtained, to the extent required for the construction of a discrete aspect of Transmission Provider's Interconnection Facilities and Network Upgrades;
- 5.6.3** Transmission Provider has received written authorization to proceed with construction from Interconnection Customer by the date specified in Appendix B, Milestones; and
- 5.6.4** Interconnection Customer has provided security to Transmission Provider in accordance with Article 11.5 by the dates specified in Appendix B, Milestones.

## **5.7 Work Progress.**

The Parties will keep each other advised periodically as to the progress of their respective design, procurement and construction efforts. Either Party may, at any time, request a progress report from the other Party. If, at any time, Interconnection Customer determines that the completion of Transmission Provider's Interconnection Facilities will not be required until after the specified In-Service Date, Interconnection Customer will provide written notice to Transmission Provider of such later date upon which the completion of Transmission Provider's Interconnection Facilities will be required.

## **5.8 Information Exchange.**

As soon as reasonably practicable after the Effective Date, the Parties shall exchange information regarding the design and compatibility of the Parties'

Interconnection Facilities and compatibility of the Interconnection Facilities with Transmission Provider's Transmission System and shall work diligently and in good faith to make any necessary design changes.

## 5.9 Other Interconnection Options

### 5.9.1 Limited Operation.

If any ~~Contingent Facilities or any~~ of Transmission Provider's Interconnection Facilities or Network Upgrades are not reasonably expected to be completed prior to the Commercial Operation Date of the Large Generating Facility, Transmission Provider shall, upon the request and at the expense of Interconnection Customer, perform operating studies on a timely basis to determine the extent to which the Large Generating Facility and Interconnection Customer's Interconnection Facilities may operate prior to the completion of ~~any Contingent Facilities or~~ Transmission Provider's Interconnection Facilities or Network Upgrades consistent with Applicable Laws and Regulations, Applicable Reliability Standards, Good Utility Practice, and this LGIA. Transmission Provider shall permit Interconnection Customer to operate the Large Generating Facility and Interconnection Customer's Interconnection Facilities in accordance with the results of such studies.

### 5.9.2 Provisional Interconnection Service.

Upon the request of Interconnection Customer, and prior to completion of requisite Interconnection Facilities, Network Upgrades, Distribution Upgrades, ~~Contingent Facilities,~~ or System Protection Facilities Transmission Provider may execute a Provisional Large Generator Interconnection Agreement with ~~the~~ Interconnection Customer for limited Interconnection Service at the discretion of Transmission Provider based upon an evaluation that will consider the results of available studies. Transmission Provider shall determine, through available studies or additional studies as necessary, whether stability, short circuit, thermal, and/or voltage issues would arise if Interconnection Customer interconnects without modifications to the Generating Facility or Transmission System. Transmission Provider shall determine whether any Interconnection Facilities, Network Upgrades, Distribution Upgrades, ~~Contingent Facilities,~~ or System Protection Facilities that are necessary to meet the requirements of NERC, or any applicable Regional Entity for the interconnection of a new, modified and/or expanded Generating Facility are in place prior to the commencement of Interconnection Service from the Generating Facility. Where available studies indicate that such, Interconnection Facilities, Network Upgrades, Distribution Upgrades, ~~Contingent Facilities,~~ and/or System Protection Facilities that are required for the interconnection of a new, modified and/or expanded Generating Facility are not currently in place, Transmission Provider will perform a study, at

~~the~~ Interconnection Customer's expense, to confirm the facilities that are required for Provisional Interconnection Service. The maximum permissible output of the Generating Facility in the Provisional Large Generator Interconnection Agreement shall be studied and updated [on a frequency determined by Transmission Provider and 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, ~~Contingent Facilities~~ and/or System Protection Facilities cost responsibilities.

## **5.10 Interconnection Customer's Interconnection Facilities (ICIF).**

Interconnection Customer shall, at its expense, design, procure, construct, own and install the ICIF, as set forth in Appendix A, Interconnection Facilities, Network Upgrades and Distribution Upgrades.

### **5.10.1 Interconnection Customer's Interconnection Facility Specifications.**

Interconnection Customer shall submit initial specifications for the ICIF, including System Protection Facilities, to Transmission Provider at least one hundred eighty (180) Calendar Days prior to the Initial Synchronization Date; and final specifications for review and comment at least ninety (90) Calendar Days prior to the Initial Synchronization Date. Transmission Provider shall review such specifications to ensure that the ICIF are compatible with the technical specifications, operational control, and safety requirements of Transmission Provider and 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.

~~The LGIA shall specify the allocation of the responsibilities of Transmission Provider or Transmission Owner and Interconnection Customer to obtain all permits, licenses and authorizations that are necessary to accomplish the interconnection in compliance with Applicable Laws and Regulations. Transmission Provider or Transmission Owner and Interconnection Customer shall cooperate with each other in good faith in obtaining any such permits, licenses, and authorizations. 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. Interconnection Customer bears sole responsibility for obtaining all permits, licenses and authorizations required for the requested interconnection, unless otherwise specifically noted in Appendix B to this LGIA.~~

### 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 Agency of Northern California

Open Access Transmission Tariff

Transmission System which are included in the Base Case of the [Interconnection](#)  
Facilities Study

for Interconnection Customer, and which also are required to be constructed for another Interconnection Customer, but where such construction is not scheduled to be completed in time to achieve Interconnection Customer's In-Service Date.

## 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 the 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, in accordance with

~~under the Internal Revenue Code and any other applicable state income tax laws and regulations. Any taxes or cost consequences imposed shall be the sole responsibility of Interconnection Customer.~~

#### **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; and ii) for income tax purposes, the amount of any payments and the cost of any property transferred to the Transmission Provider for the 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 the 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 the Transmission Provider's Interconnection Facilities paid for by Interconnection Customer will have no net effect on the base upon which rates are determined.~~

#### **5.17.35.17.2 Indemnification for the Cost Consequences of Current Tax Liability Taxes Imposed Upon Transmission Provider.**

~~Notwithstanding any provision in this LGIA to the contrary, including, but not limited to, Section 5.17.1, Interconnection Customer shall protect, indemnify and hold harmless Transmission Provider from income the cost or other consequences, including any interest and penalties, of any taxes liability imposed against Transmission Provider as the result of payments or property transfers made by Interconnection Customer to Transmission Provider under this LGIA, or use of Transmission Provider's Interconnection Facilities, Transmission System (including any Network Upgrade to that Transmission System) by Interconnection Customer under this LGIA 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 income taxes 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, in a form reasonably acceptable to Transmission Provider (such as a parental guarantee or a letter of credit), in an amount equal to Interconnection Customer's estimated tax liability under this Section 5.17, Interconnection Customer shall reimburse Transmission Provider for such taxes on a fully grossed-up basis, in accordance with Section 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.~~

~~In the event that the Transmission Provider includes a gross-up upon its own determination that the payments or property transfers should be reported as income subject to taxation, the Interconnection Customer may require the Transmission Provider to provide security, in a form reasonably acceptable to the Interconnection Customer (such as a parental guarantee or a letter of credit) in an amount equal to the Interconnection Customer's estimated tax liability under this Section 5.17.~~

~~The indemnification obligation shall terminate at the earlier of (1) the expiration of the 10 year testing period, as contemplated by IRS Notice 88-129, and the applicable statute of limitation, as it may be extended by the 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 Section 5.17.~~

#### **5.17.4 Tax Gross-Up Amount.**

~~Interconnection Customer's liability for taxes under this Section 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 LCIA (without regard to any payments under this [Article Section 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 the 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 section 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, to the extent applicable, 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. If the private letter ruling concludes that such transfers or sums are not subject to federal income taxation, or a clarification of or change in law results in Transmission Provider determining in good faith that such transfers or sums are not subject to federal income taxation, Parties' obligations regarding a gross up or security under this Section 5.17 shall be reduced accordingly.~~

**5.17.6 Subsequent Taxable Events.**

~~If, within 10 years from the date on which the relevant Transmission Provider Interconnection Facilities are placed in service, i) Interconnection Customer Breaches the covenant contained in Article Section 5.17.2i); 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, the Interconnection Customer shall pay a tax gross up for the taxes imposed on Transmission Provider, calculated using the methodology described in "Tax Gross Up Amount" in Article Section 5.17 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~~ shall appeal, protest, seek abatement of, or otherwise oppose such determination. Upon Interconnection Customer's written request and sole expense, Transmission Provider ~~may~~ shall file a claim for refund with respect to any taxes paid under this Article Section 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. Transmission Provider will not be required to appeal or seek further review beyond one level of judicial review. 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~~

~~a nationally recognized tax counsel selected under the terms of the preceding sentence. 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:~~

- ~~1. Any payment made by Interconnection Customer under this Article Section 5.17 for taxes that is attributable to the amount determined to be non-taxable, together with any interest received by Transmission Provider for such amounts;~~
- ~~2. On any amounts paid by Interconnection Customer to Transmission Provider for such taxes which Transmission Provider did not submit to the taxing authority, together with any interest received by Transmission Provider for such amounts from the date payment was made by Interconnection Customer to the date Transmission Provider refunds such payment to Interconnection Customer; and~~
- ~~3. 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 1 above) owed to the 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 the Transmission Provider's Interconnection Facilities.~~

~~The intent of this provision is to leave the Parties both 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.~~

#### **5.17.95.17.3 Taxes Other Than Income Taxes.**

Upon the timely request by Interconnection Customer, and at Interconnection Customer's sole expense, Transmission Provider shall 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 and](#) tax-exempt municipal financing.

## 5.19 Modification.

### 5.19.1 General.

Either Party may undertake modifications to its facilities. If a Party plans to undertake a modification that reasonably may be expected to affect the other Party's facilities, that Party shall provide to the other Party sufficient information regarding such modification so that the other Party may evaluate the potential impact of such modification prior to commencement of the work. Such information shall be deemed to be confidential hereunder and shall include information concerning the timing of such modifications and whether such modifications are expected to interrupt the flow of electricity from the Large Generating Facility. The Party desiring to perform such work shall 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 [Electric Reliability Organization 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.

## **Article 8. Communications**

### **8.1 Interconnection Customer Obligations.**

Interconnection Customer shall maintain satisfactory operating communications with Transmission Provider's Transmission System dispatcher or representative designated by Transmission Provider. Interconnection Customer shall provide 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 ~~contains at least one is a~~ Variable Energy Resource shall provide meteorological and forced outage data to ~~the~~ Transmission Provider to the extent necessary for ~~the~~ Transmission Provider's development and deployment of power production forecasts for that class of Variable Energy Resources. ~~The~~ Interconnection Customer with a Variable Energy Resource having wind as the energy source, at a minimum, will be required to provide ~~the~~ Transmission Provider with site-specific meteorological data including: temperature, wind speed, wind direction, and atmospheric pressure.

~~The~~ Interconnection Customer with a Variable Energy Resource having solar as the energy source, at a minimum, will be required to provide the Transmission Provider with site-specific meteorological data including; temperature, atmospheric pressure, and irradiance.

~~The~~ Transmission Provider and Interconnection Customer whose Generating Facility is a Variable Energy Resource shall mutually agree to any additional meteorological data that are required for the development and deployment of a power production forecast.

~~The~~ Interconnection Customer whose Generating Facility ~~contains~~ 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~~ e-LGIA, as they may change from time to time.

## Article 9 Operations

### 9.1 General.

Each Party shall comply with the [Electric Reliability Organization 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 Balancing Authority Area Notification.

At least three months before Initial Synchronization Date, Interconnection Customer shall notify Transmission Provider in writing of the Balancing Authority Area in which the Large Generating Facility will be located. If Interconnection Customer elects to locate the Large Generating Facility in a Balancing Authority Area other than the Balancing Authority Area in which the Large Generating Facility is physically located, and if permitted to do so by the relevant transmission tariffs, all necessary arrangements, including but not limited to those set forth in Article 7 and Article 8 of this LGIA, and remote Balancing Authority Area generator interchange agreements, if applicable, and the appropriate measures under such agreements, shall be executed and implemented prior to the placement of the Large Generating Facility in the other Balancing Authority Area.

### 9.3 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 Balancing Authority Area of which it is part, as

such requirements are set forth in Appendix C, Interconnection Details, of this LGIA. Appendix C, Interconnection Details, will be modified to reflect changes to the requirements as they may change from time to time. Either Party may request that the other Party provide copies of the requirements set forth in Appendix C, Interconnection Details, of this LGIA.

## 9.5 Start-Up and Synchronization.

Consistent with the Parties' mutually acceptable procedures, Interconnection Customer is responsible for the proper synchronization of the Large Generating Facility to 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 Transmission Provider has established different requirements that apply to all synchronous generators in the Balancing Authority Area on a comparable basis.

#### 9.6.1.2 Non-Synchronous Generation.

Interconnection Customer shall design the Large Generating Facility to 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 Balancing Authority 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 Balancing Authority 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 Balancing Authority 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 [ElectricNERC Reliability Organization reliability standard](#) providing for equivalent or more stringent parameters. The droop characteristic shall be: (1) based on the nameplate capacity of the Large Generating Facility and shall be linear in the range of frequencies between 59 to 61 Hz that are outside of the deadband parameter; or (2) based on an approved [Electric Reliability Organization reliability standard 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 [Electric Reliability Organization reliability standard NERC Reliability Standard](#) providing for an equivalent or more stringent parameter. Interconnection Customer shall notify Transmission Provider that the primary frequency response capability of the Large Generating Facility has been tested and confirmed during commissioning. Once Interconnection Customer has synchronized the Large Generating Facility with the Transmission System, Interconnection Customer shall operate the Large Generating Facility consistent with the provisions specified in [Articles 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 [Electric Reliability Organization reliability standard](#) ~~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 [Electric Reliability Organization reliability standard](#) ~~Reliability Standard~~ with equivalent or more stringent requirements shall supersede the above requirements.

#### **9.6.4.3 Exemptions.**

Large Generating Facilities that are regulated by the United States Nuclear Regulatory Commission shall be exempt from ~~Articles 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 ~~Article Section~~ 9.6.4, but shall be otherwise exempt from the operating requirements in ~~Article 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 [a Generating Facility that contains](#) an electric storage resource shall establish an operating range in Appendix C of its LGIA that specifies a minimum state of charge and a maximum state of charge between which the electric storage resource will be required to provide primary frequency response consistent with the conditions set forth in ~~Articles 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 ~~Article 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.~~**

**Ride Through Capability and Performance.** The Transmission System is designed to automatically activate a load-shed program as required by the ~~Electric Applicable~~ Reliability ~~Organization 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 ~~Electric Applicable~~ Reliability ~~Organization Council~~ to ensure frequency "ride through" capability of the Transmission System. Large Generating Facility response to frequency deviations of pre-determined magnitudes, both under-

frequency and over-frequency deviations, shall be studied and coordinated with Transmission Provider in accordance with Good Utility Practice. ~~The term "ride through"~~Interconnection Customer shall also implement under-voltage and over-voltage relay set points, or equivalent electronic controls, as required by the Electric Reliability Organization to ensure voltage "ride through" capability of the Transmission System. The term "ride through" as used herein shall mean the ability of a Generating Facility to stay connected to and synchronized with the Transmission System during system disturbances within a range of under-frequency, ~~and~~ over-frequency, undervoltage, and overvoltage conditions, in accordance with Good Utility Practice and consistent with any standards and guidelines that are applied to other Generating Facilities in the Balancing Authority Area on a comparable basis. For abnormal frequency conditions and voltage conditions within the "no trip zone" defined by Reliability Standard PRC024-3 or successor mandatory ride through reliability standards, the nonsynchronous Large Generating Facility must ensure that, within any physical limitations of the Large Generating Facility, its control and protection settings are configured or set to (1) continue active power production during disturbance and post disturbance periods at predisturbance levels, unless reactive power priority mode is enabled or unless providing primary frequency response or fast frequency response; (2) minimize reductions in active power and remain within dynamic voltage and current limits, if reactive power priority mode is enabled, unless providing primary frequency response or fast frequency response; (3) not artificially limit dynamic reactive power capability during disturbances; and (4) return to pre-disturbance active power levels without artificial ramp rate limits if active power is reduced, unless providing primary frequency response or fast frequency response.

#### **9.7.4 System Protection and Other Control Requirements.**

##### **9.7.4.1 System Protection Facilities.**

Interconnection Customer shall, at its expense, install, operate and maintain System Protection Facilities as a part of the Large Generating Facility or Interconnection Customer's Interconnection Facilities. 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.

**9.7.4.5**

**9.7.4.6** ~~9.7.4.6~~ **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 Dispute Resolution, pursuant to Article 27.

## **9.10 Disturbance Analysis Data Exchange.**

The Parties will cooperate with one another in the analysis of disturbances to either the Large Generating Facility or Transmission Provider's Transmission System by gathering and providing access to any information relating to any disturbance, including information from oscillography, protective relay targets, breaker operations and sequence of events records, and any disturbance information required by Good Utility Practice.

## **Article 10 Maintenance**

### **10.1 Transmission Provider Obligations.**

Transmission Provider shall maintain the Transmission System and Transmission Provider's Interconnection Facilities in a safe and reliable manner and in accordance with this LGIA.

### **10.2 Interconnection Customer Obligations.**

Interconnection Customer shall maintain the Large Generating Facility and Interconnection Customer's Interconnection Facilities in a safe and reliable manner and in accordance with this LGIA.

### **10.3 Coordination.**

The Parties shall confer regularly to coordinate the planning, scheduling and performance of preventive and corrective maintenance on the Large Generating Facility and the Interconnection Facilities.

### **10.4 Secondary Systems.**

Each Party shall cooperate with the other in the inspection, maintenance, and testing of control or power circuits that operate below 600 volts, AC or DC, including, but not limited to, any hardware, control or protective devices, cables, conductors, electric raceways, secondary equipment panels, transducers, batteries, chargers, and voltage and current transformers that directly affect the operation of a Party's facilities and equipment which may reasonably be expected to impact the other Party. Each Party shall provide advance notice to the other Party before undertaking any work on such circuits, especially on electrical circuits involving circuit breaker trip and close contacts, current transformers, or potential transformers.

### **10.5 Operating and Maintenance Expenses.**

Subject to the provisions herein addressing the use of facilities by others, and except for operations and maintenance expenses associated with modifications made for providing interconnection or transmission service to a third party and such third party pays for such expenses, Interconnection Customer shall be responsible for all reasonable expenses including overheads, associated with: (1) owning, operating, maintaining, repairing and replacing Interconnection

Customer's Interconnection Facilities; and (2) operation, maintenance, repair and replacement of Transmission Provider's Interconnection Facilities.

## **Article 11 Performance Obligation**

### **11.1 Interconnection Customer Interconnection Facilities.**

Interconnection Customer shall design, procure, construct, install, own and/or control Interconnection Customer Interconnection Facilities described in Appendix A, Interconnection Facilities, Network Upgrades and Distribution Upgrades, at its sole expense.

### **11.2 Transmission Provider's Interconnection Facilities.**

Transmission Provider or Transmission Owner shall design, procure, construct, install, own and/or control ~~the~~ Transmission Provider's Interconnection Facilities described in Appendix A, Interconnection Facilities, Network Upgrades and Distribution Upgrades, at the sole expense of ~~the~~ Interconnection Customer.

### **11.3 Network Upgrades and Distribution Upgrades.**

Transmission Provider or Transmission Owner shall design, procure, construct, install, and own the Network Upgrades and Distribution Upgrades described in Appendix A, Interconnection Facilities, Network Upgrades and Distribution Upgrades. ~~The~~ Interconnection Customer shall be responsible for all costs related to Distribution Upgrades. Unless Transmission Provider or Transmission Owner elects to fund the capital for the Network Upgrades, they shall be solely funded by Interconnection Customer.

### **11.4 Transmission Credits.**

#### **11.4.1 Repayment of Amounts Advanced for Network Upgrades.**

Interconnection Customer shall be entitled to ongoing credits to its transmission charges, the total amount of which will be paid in a timely manner and will equal the total amount paid to Transmission Provider and Affected System Operator, if any, for the Network Upgrades, to be credited to Interconnection Customer on a dollar-for-dollar basis for the non-usage sensitive portion of transmission charges, as payments are made under Transmission Provider's Tariff or Affected System's Tariff for transmission services with respect to the Large Generating Facility;\_

provided, that Transmission Provider shall net bill or bill credit Interconnection Customer for any amounts to be credited. With Transmission Provider's approval, Interconnection Customer may assign such crediting rights to any person having an executed net billing or bill crediting agreement with Transmission Provider that is effective throughout the entire term of the assignment.

Notwithstanding the foregoing, Transmission Provider or Affected System Operator will continue to provide credits to Interconnection Customer on a dollar-for-dollar basis for the non-usage sensitive portion of transmission charges, without any restriction as to the period of time under which such crediting will occur.

If the Large Generating Facility fails to achieve commercial operation, but it or another Generating Facility is later constructed and makes use of the Network Upgrades, Transmission Provider and Affected System Operator shall at that time reimburse Interconnection Customer for the amounts advanced for the Network Upgrades; provided, that the party making use of the Network Upgrade must first pay to Transmission Provider all amounts to be reimbursed to Interconnection Customer. Such amounts shall be subsequently credited by Transmission Provider to the new party in accordance with Article 11.4 of this LGIA. Before any such reimbursement can occur, the Interconnection Customer, or the entity that ultimately constructs the Generating Facility, if different, is responsible for identifying the entity to which reimbursement must be made.

#### **11.4.2 Special Provisions for Affected Systems.**

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

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

[Advance Payment](#)

## 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, as specified in Appendix B of this LGIA, 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. Transmission Provider must use the LGIA Deposit required in Section 11.3 of the LGIP before requiring Interconnection Customer to submit security in addition to that LGIA Deposit. Transmission Provider must specify, in Appendix B of this LGIA, the dates for which Interconnection Customer must provide additional security for construction of each discrete portion of Transmission Provider's Interconnection Facilities, Network Upgrades, or Distribution Upgrades and Interconnection Customer must provide such additional security.

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.

~~**11.4.3** Interconnection Customer shall be required to pay Transmission Provider for all actual costs incurred by Transmission Provider for the procurement, installation, or construction of a discrete portion of a Transmission Provider's Interconnection Facilities or Network Upgrades and shall pay Transmission Provider, in advance, for all work to be conducted, under the terms and conditions set forth in the LGIA. Such advance payment shall be considered estimated costs for project planning, management, design, engineering, land purchase, right of way cost, cost of use of~~

~~existing right of way, environmental investigations, procurements, construction, inspection and commissioning activities for which such advance payments are then due. The funds shall be deposited by Interconnection Customer according to the instructions on individual invoices from Transmission Provider, which shall be delivered by Transmission Provider to Interconnection Customer at least ten (10) Business Days prior to the date of such payment being due. Transmission Provider shall not provide any labor, equipment, materials, parts, travel, or incur incidental costs associated with tasks described above, or commence any other work until applicable advance payment(s) is/are received in full.~~

~~11.4.4 Interconnection Customer shall not be required to make any subsequent payment in the event tasks relating to the prior payment have not been substantially completed.~~

~~Transmission Provider shall keep detailed records for actual costs incurred. Interconnection Customer shall be entitled, during normal business hours and at its own expense, to review such records and supporting documentation. If, during procurement, installation, or construction of a discrete portion of a Transmission Provider's Interconnection Facilities or Network Upgrades, or upon close-out of any phase of such activities, costs by Transmission Provider are expected to exceed the sum payments made by Interconnection Customer, Transmission Provider will inform Interconnection Customer of the additional expenses and provide a written revision to the estimate, together with an invoice for the amount due. Interconnection Customer shall then promptly pay Transmission Provider in full and without interest for the billed amount. If, upon completion of the procurement, installation, or construction of a discrete portion of Transmission Provider's Interconnection Facilities or Network Upgrades, costs incurred by Transmission Provider are less than the sum of payment(s) made to Transmission Provider by Interconnection Customer, Transmission provider shall refund the difference, without interest, as soon as the necessary vouchers may be prepared.~~

#### **44.511.6 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 [that complies with Applicable Laws and Regulations and that is](#) 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.

~~11.5.111.6.1~~ **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 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 provide an invoice of the final cost of the construction of Transmission Provider's

Interconnection Facilities and the Network Upgrades and shall set forth such costs in sufficient detail to enable Interconnection Customer to compare the actual costs with the estimates and to ascertain deviations, if any, from the cost estimates. Transmission Provider shall refund to Interconnection Customer any amount by which the actual payment by Interconnection Customer for estimated costs exceeds the actual costs of construction within thirty (30) Calendar Days of the issuance of such final construction invoice.

### 12.3 Payment.

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

### 12.4 Disputes.

In the event of a billing dispute between 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.

## 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, [Electric Reliability Organization, NERC, the Applicable Reliability Council](#), Applicable Laws and Regulations, and any emergency procedures agreed to by the Joint Operating Committee.

### **13.3 Notice.**

Transmission Provider shall notify Interconnection Customer promptly when it becomes aware of an Emergency Condition that affects Transmission Provider's Interconnection Facilities or the Transmission System that may reasonably be expected to affect Interconnection Customer's operation of the Large Generating Facility or Interconnection Customer's Interconnection Facilities. Interconnection Customer shall notify Transmission Provider promptly when it becomes aware of an Emergency Condition that affects the Large Generating Facility or Interconnection Customer's Interconnection Facilities that may reasonably be expected to affect the Transmission System or Transmission Provider's Interconnection Facilities. To the extent information is known, the notification shall describe the Emergency Condition, the extent of the damage or deficiency, the expected effect on the operation of Interconnection Customer's or Transmission Provider's facilities and operations, its anticipated duration and the corrective action taken and/or to be taken. The initial notice shall be followed as soon as practicable with written notice.

### **13.4 Immediate Action.**

Unless, in Interconnection Customer's reasonable judgment, immediate action is required, Interconnection Customer shall obtain the consent of Transmission Provider, such consent to not be unreasonably withheld, prior to performing any manual switching operations at the Large Generating Facility or Interconnection Customer's Interconnection Facilities in response to an Emergency Condition

either declared by Transmission Provider or otherwise regarding the Transmission System.

## **13.5 Transmission Provider Authority.**

### **13.5.1 General.**

Transmission Provider may take whatever actions or inactions with regard to the Transmission System or Transmission Provider's Interconnection Facilities it deems necessary during an Emergency Condition in order to i) preserve public health and safety, ii) preserve the reliability of the Transmission System or Transmission Provider's Interconnection Facilities, iii) limit or prevent damage, and (iv) expedite restoration of service.

Transmission Provider shall use Reasonable Efforts to minimize the effect of such actions or inactions on the Large Generating Facility or Interconnection Customer's Interconnection Facilities. Transmission Provider may, on the basis of technical considerations, require the Large Generating Facility to mitigate an Emergency Condition by taking actions necessary and limited in scope to remedy the Emergency Condition, including, but not limited to, directing Interconnection Customer to shut-down, start-up, increase or decrease the real or reactive power output of the Large Generating Facility; implementing a reduction or disconnection pursuant to Article 13.5.2; directing Interconnection Customer to assist with blackstart (if available) or restoration efforts; or altering the outage schedules of the Large Generating Facility and Interconnection Customer's Interconnection Facilities. Interconnection Customer shall comply with all of Transmission Provider's operating instructions concerning Large Generating Facility real power and reactive power output within the manufacturer's design limitations of the Large Generating Facility's equipment that is in service and physically available for operation at the time, in compliance with Applicable Laws and Regulations.

### **13.5.2 Reduction and Disconnection.**

Transmission Provider may reduce Interconnection Service or disconnect the Large Generating Facility or Interconnection Customer's Interconnection Facilities, when such, reduction or disconnection is necessary under Good Utility Practice due to Emergency Conditions. These rights are separate and distinct from any right of curtailment of Transmission Provider pursuant to Transmission Provider's Tariff. When Transmission Provider can schedule the reduction or disconnection in advance, Transmission Provider shall notify Interconnection Customer of the reasons, timing and expected duration of the reduction or

\_disconnection. Transmission Provider shall coordinate with Interconnection Customer using Good Utility Practice to schedule the reduction or disconnection during periods of least impact to Interconnection Customer and Transmission Provider. Any reduction or disconnection shall continue only for so long as reasonably necessary under Good Utility Practice. The Parties shall cooperate with each other to restore the Large Generating Facility, the Interconnection Facilities, and the Transmission System to their normal operating state as soon as practicable consistent with Good Utility Practice.

### **13.6 Interconnection Customer Authority.**

Consistent with Good Utility Practice and the LGIA and the LGIP, Interconnection Customer may take actions or inactions with regard to the Large Generating Facility or Interconnection Customer's Interconnection Facilities during an Emergency Condition in order to i) preserve public health and safety, ii) preserve the reliability of the Large Generating Facility or Interconnection Customer's Interconnection Facilities, iii) limit or prevent damage, and (iv) expedite restoration of service. Interconnection Customer shall use Reasonable Efforts to minimize the effect of such actions or inactions on the Transmission System and Transmission Provider's Interconnection Facilities. Transmission Provider shall use Reasonable Efforts to assist Interconnection Customer in such actions.

### **13.7 Limited Liability.**

Except as otherwise provided in Article 11.6.1 of this LGIA, neither Party shall be liable to the other for any action it takes in responding to an Emergency Condition so long as such action is made in good faith and is consistent with Good Utility Practice.

## **Article 14 Regulatory Requirements and Governing Law**

### **14.1 Regulatory Requirements.**

Each Party's obligations under this LGIA shall be subject to its receipt of any required approval or certificate from one or more Governmental Authorities in the form and substance satisfactory to the applying Party, or the Party making any required filings with, or providing notice to, such Governmental Authorities, and the expiration of any time period associated therewith. Each Party shall in good faith seek and use its Reasonable Efforts to obtain such other approvals. Nothing in this LGIA shall require Interconnection Customer to take any action that could

result in its inability to obtain, or its loss of, status or exemption under the Federal Power Act, 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 of California, 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.

## **14.3 Jurisdiction.**

Notwithstanding the provisions herein, TANC does not accede to the imposition of Federal Power Act jurisdiction over the interconnection or transmission rates of TANC, and by incorporating this tariff amendment, TANC does not intend that TANC be thereby subject to public utility regulations of the Federal Energy Regulatory Commission.

## **Article 15 Notices.**

### **15.1 General.**

Unless otherwise provided in this LGIA, any notice, demand or request required or permitted to be given by either Party to the other and any instrument required or permitted to be tendered or delivered by either Party in writing to the other shall be effective when delivered and may be so given, tendered or delivered, by recognized national courier, or by depositing the same with the United States Postal Service with postage prepaid, for delivery by certified or registered mail, addressed to the Party, or personally delivered to the Party, at the address set out in Appendix F, Addresses for Delivery of Notices and Billings.

Either Party may change the notice information in this LGIA by giving five (5) Business Days written notice prior to the effective date of the change.

## **15.2 Billings and Payments.**

Billings and payments shall be sent to the addresses set out in Appendix F.

## **15.3 Alternative Forms of Notice.**

Any notice or request required or permitted to be given by a Party to the other and not required by this Agreement to be given in writing may be so given by telephone, facsimile or email to the telephone numbers and email addresses set out in Appendix F.

## **15.4 Operations and Maintenance Notice.**

Each Party shall notify the other Party in writing of the identity of the person(s) that it designates as the point(s) of contact with respect to the implementation of Articles 9 and 10.

# **Article 16 Force Majeure**

## **16.1 Force Majeure.**

**16.1.1** Economic hardship is not considered a Force Majeure event.

**16.1.2** Neither Party shall be considered to be in Default with respect to any obligation hereunder, (including obligations under Article 4), other than the obligation to pay money when due, if prevented from fulfilling such obligation by Force Majeure. A Party unable to fulfill any obligation hereunder (other than an obligation to pay money when due) by reason of Force Majeure shall give notice and the full particulars of such Force Majeure to the other Party in writing or by telephone as soon as reasonably possible after the occurrence of the cause relied upon. Telephone notices given pursuant to this article shall be confirmed in writing as soon as reasonably possible and shall specifically state full particulars of the Force Majeure, the time and date when the Force Majeure occurred and when the Force Majeure is reasonably expected to cease. The Party affected shall exercise due diligence to remove such disability with reasonable dispatch but shall not be required to accede or agree to any provision not satisfactory to it in order to settle and terminate a strike or other labor disturbance.

## Article 17 Default

### 17.1 Default

#### ~~17.1.1~~ 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.

#### ~~17.2~~ 17.1.2 Right to Terminate.

If a Breach is not cured as provided in this article, or if a Breach is not capable of being cured within the period provided for herein, the non-breaching Party shall have the right to declare a Default and terminate this LGIA by written notice at any time until cure occurs, and be relieved of any further obligation hereunder and, whether or not that Party terminates this LGIA, to recover from the breaching Party all amounts due hereunder, plus all other damages and remedies to which it is entitled at law or in equity. The provisions of this article will survive termination of this LGIA.

### 17.2 Violation of Operating Assumptions for Generating Facilities.

If Transmission Provider requires Interconnection Customer to memorialize the operating assumptions for the charging behavior of a Generating Facility that includes at least one electric storage resource in Appendix H of this LGIA, Transmission Provider may consider Interconnection Customer to be in Breach of the LGIA if Interconnection Customer fails to operate the Generating Facility in accordance with those operating assumptions for charging behavior. However, if Interconnection Customer operates contrary to the operating assumptions for charging behavior specified in Appendix H of this LGIA at the direction of Transmission Provider, Transmission Provider shall not consider Interconnection Customer in Breach 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.

**18.3.8**

~~**18.3.9**~~ Within ten (10) Business Days following execution of this LGIA, and as soon as practicable after the end of each fiscal year or at the renewal of the insurance policy and in any event within ninety (90) days thereafter, each Party shall provide certification of

**18.3.9** 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 notify 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 in writing as soon as practical all accidents or occurrences resulting in injuries to any person, including death, and any property damage arising out of this LGIA.

## **Article 19      Assignment**

### **19.1 Assignment.**

This LGIA may be assigned by either Party only with the written consent of the other; provided that 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. Any assignment shall not adversely affect the status of tax-exempt financing.

## **Article 20 Severability**

### **20.1 Severability.**

If any provision in this LGIA is finally determined to be invalid, void or unenforceable by any court or other Governmental Authority having jurisdiction, such determination shall not invalidate, void or make unenforceable any other provision, agreement or covenant of this LGIA; provided that if Interconnection Customer (or any third party, but only if such third party is not acting at the direction of Transmission Provider) seeks and obtains such a final determination with respect to any provision of the Alternate Option (Article 5.1.2), or the Negotiated Option (Article 5.1.4), then none of these provisions shall thereafter have any force or effect and the Parties' rights and obligations shall be governed solely by the Standard Option (Article 5.1.1).

## **Article 21 Comparability**

### **21.1 Comparability.**

The Parties will comply with all applicable comparability and code of conduct laws, rules and regulations, as amended from time to time.

## **Article 22 Confidentiality**

### **22.1 Confidentiality.**

Confidential Information shall include, without limitation, all information relating to a Party's technology, research and development, business affairs, and pricing, and any information supplied by either of the Parties to the other prior to the execution of this LGIA.

Information is Confidential Information only if it is clearly designated or marked in writing as confidential on the face of the document, or, if the information is

conveyed orally or by inspection, if the Party providing the information orally informs the Party receiving the information that the information is confidential.

If requested by either Party, the other Party shall provide in writing, the basis for asserting that the information referred to in this Article 22 warrants confidential treatment, and the requesting Party may disclose such writing to the appropriate Governmental Authority. Each Party shall be responsible for the costs associated with affording confidential treatment to its information.

#### **22.1.1 Term.**

During the term of this LGIA, and for a period of three (3) years after the expiration or termination of this LGIA, except as otherwise provided in this Article 22, each Party shall hold in confidence and shall not disclose to any person Confidential Information.

#### **22.1.2 Scope.**

Confidential Information shall not include information that the receiving Party can demonstrate: (1) is generally available to the public other than as a result of a disclosure by the receiving Party; (2) was in the lawful possession of the receiving Party on a non-confidential basis before receiving it from the disclosing Party; (3) was supplied to the receiving Party without restriction by a third party, who, to the knowledge of the receiving Party after due inquiry, was under no obligation to the disclosing Party to keep such information confidential; (4) was independently developed by the receiving Party without reference to Confidential Information of the disclosing Party; (5) is, or becomes, publicly known, through no wrongful act or omission of the receiving Party or Breach of this LGIA; or (6) is required, in accordance with Article 22.1.7 of the LGIA, Order of Disclosure, to be disclosed by any Governmental Authority or is otherwise required to be disclosed by law or subpoena, or is necessary in any legal proceeding establishing rights and obligations under this LGIA. Information designated as Confidential Information will no longer be deemed confidential if the Party that designated the information as confidential notifies the other Party that it no longer is confidential.

#### **22.1.3 Release of Confidential Information.**

Neither Party shall release or disclose Confidential Information to any other person, except to its Affiliates (limited by the Standards of Conduct requirements), subcontractors, employees, consultants, or to parties who may be or considering providing financing to or equity participation with Interconnection Customer, or to potential purchasers or assignees of Interconnection Customer, on a need-to-know basis in connection with this LGIA, unless such person has first been advised

\_of the confidentiality provisions of this Article 22 and has agreed to comply with such provisions. Notwithstanding the foregoing, a Party providing Confidential Information to any person shall remain primarily responsible for any release of Confidential Information in contravention of this Article 22.

**22.1.4 Rights.**

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

**22.1.5 No Warranties.**

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

**22.1.6 Standard of Care.**

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

**22.1.7 Order of Disclosure.**

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

**22.1.8 Termination of Agreement.**

Upon termination of this LGIA for any reason, each Party shall, within ten (10) Calendar Days of receipt of a written request from the other Party, use Reasonable Efforts to destroy, erase, or delete (with such destruction, erasure, and deletion certified in writing to the other Party) or return to the other Party, without retaining copies thereof, any and all written or electronic Confidential Information received from the other Party.

**22.1.9 Remedies.**

The Parties agree that monetary damages would be inadequate to compensate a Party for the other Party's Breach of its obligations under this Article 22. Each Party accordingly agrees that the other Party shall be entitled to equitable relief, by way of injunction or otherwise, if the first Party Breaches or threatens to Breach its obligations under this Article 22, which equitable relief shall be granted without bond or proof of damages, and the receiving Party shall not plead in defense that there would be an adequate remedy at law. Such remedy shall not be deemed an exclusive remedy for the Breach of this Article 22, but shall be in addition to all other remedies available at law or in equity. The Parties further acknowledge and agree that the covenants contained herein are necessary for the protection of legitimate business interests and are reasonable in scope. No Party, however, shall be liable for indirect, incidental, or consequential or punitive damages of any nature or kind resulting from or arising in connection with this Article 22.

**22.1.10 Disclosure to FERC, its Staff, or a State.**

Notwithstanding anything in this Article 22 to the contrary, and pursuant to 18 CFR section 1b.20, if FERC or its staff, during the course of an investigation or otherwise, requests information from one of the Parties that is otherwise required to be maintained in confidence pursuant to this LGIA, the Party shall provide the requested information to FERC or its staff, within the time provided for in the request for information. In providing the information to FERC or its staff, the Party must, consistent with 18 CFR section 388.112, request that the information be treated as confidential and non-public by FERC and its staff and that the information be withheld from public disclosure. Parties are prohibited from notifying the other Party to this LGIA prior to the release of the Confidential Information to FERC or its staff. The Party shall notify the other Party to the LGIA when it is notified by FERC or its staff that a request to release Confidential Information has been received by FERC, at which time either of the Parties may respond before such information would be made public, pursuant to 18 CFR section 388.112. Requests from a state regulatory body conducting a confidential investigation shall be treated in a similar manner if consistent with the

[applicable state rules and regulations.](#)

**22.1.10 22.1.11 Treatment of Confidential Information.**

Subject to the exception in Article 22.1.10, ~~a~~Any information that a Party claims is [competitively sensitive, commercial or financial information](#) Confidential Information under this LGIA ("Confidential Information") shall not be disclosed by the other Party to any person not employed or retained by the other Party, except to the extent disclosure is i) required by law; ii) reasonably deemed by the disclosing Party to be required to be disclosed in connection with a dispute between or among the Parties, or the defense of litigation or dispute; iii) otherwise permitted by consent of the other Party, such consent not to be unreasonably withheld; or (iv) necessary to fulfill its obligations under this LGIA or as a transmission service provider or a Balancing Authority Area operator including disclosing the Confidential Information to an RTO or ISO or to a regional or national reliability organization. The Party asserting confidentiality shall notify the other Party in writing of the information it claims is confidential. Prior to any disclosures of the other Party's Confidential Information under this subparagraph, or if any third party or Governmental Authority makes any request or demand for any of the information described in this subparagraph, the disclosing Party agrees to promptly notify the other Party in writing and agrees to assert confidentiality and cooperate with the other Party

in seeking to protect the Confidential Information from public disclosure by confidentiality agreement, protective order or other reasonable measures.

## **Article 23 Environmental Releases**

- 23.1** Each Party shall notify the other Party, first orally and then in writing, of the release of any Hazardous Substances, any asbestos or lead abatement activities, or any type of remediation activities related to the Large Generating Facility or the Interconnection Facilities, each of which may reasonably be expected to affect the other Party. The notifying Party shall: i) provide the notice as soon as practicable, provided such Party makes a good faith effort to provide the notice no later than twenty-four hours after such Party becomes aware of the occurrence; and ii) promptly furnish to the other Party copies of any publicly available reports filed with any Governmental Authorities addressing such events.

## **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-Cluster Study~~ and Facilities Study. Information in this submission shall be the most current Large Generating Facility design or expected performance data. Information submitted for stability models shall be compatible with 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 governed by the laws of the State of California. The decision of the arbitrator(s) may be appealed solely on the grounds that the conduct of the arbitrator(s), or the decision itself, violated the standards set forth in the Federal Arbitration Act or the Administrative Dispute Resolution Act.

**27.4 Costs.**

Each Party shall be responsible for its own costs incurred during the arbitration process and for the following costs, if applicable: (1) the cost of the arbitrator chosen by the Party to sit on the three member panel and one half of the cost of the third arbitrator chosen; or (2) one half the cost of the single arbitrator jointly chosen by the Parties.

**Article 28 Representations, Warranties, and Covenants****28.1 General.**

Each Party makes the following representations, warranties and covenants:

**28.1.1 Good Standing.**

Such Party is duly organized, validly existing and in good standing under 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.

**29.1.2** \_\_\_\_\_

- 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.~~**

~~The Transmission Provider shall have the right to modify this LGIA. Nothing in this LGIA is intended to confer jurisdiction over this LGIA or the Parties to FERC.~~

### **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 the 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 Substation ~~Other~~ Network Upgrades]:

(c) [insert System Network Upgrades]:  
(b)

**3. Distribution Upgrades:**

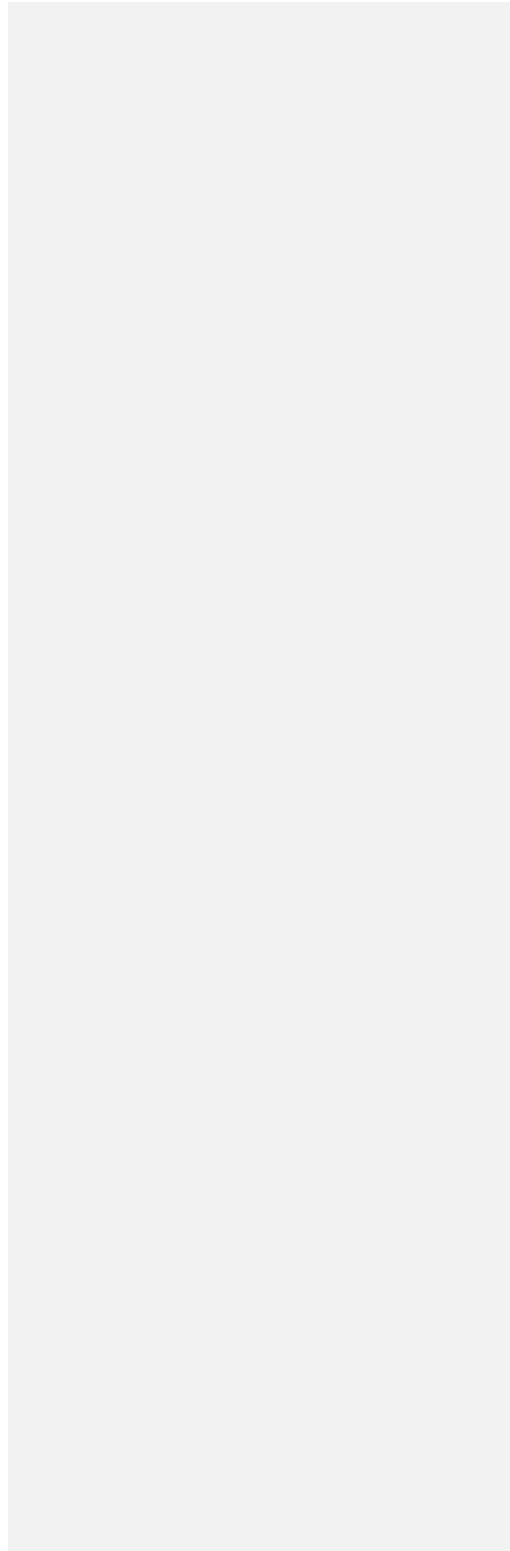
4. Contingent Facilities:

5. Point of Change of Ownership:

6. Point of Interconnection:

**Appendix B to the LGIA**

**Milestones**



Site Control

-  
Check box if applicable

-  
Interconnection Customer with qualifying regulatory limitations must demonstrate 100% Site Control by [Transmission Provider to insert date one hundred eighty (180) Calendar Days from the effective date of this LGIA] or the LGIA may be terminated per Article 17 (Default) of this LGIA and Interconnection Customer may be subject to Withdrawal Penalties per Section 3.7.1.1 of Transmission Provider's LGIP (Calculation of the Withdrawal Penalty).

Transmission Agency of Northern California

Open Access Transmission Tariff

**Appendix C to the LGIA**

**Interconnection Details**

**Appendix D to the 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 the 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 the LGIA**

**Addresses for Delivery of Notices and Billings**

**Notices:**

Transmission Provider:

[To be supplied.]

Interconnection Customer:

[To be supplied.]

**Billings and Payments:**

Transmission Provider:

[To be supplied.]

Interconnection Customer:

[To be supplied.]

**Alternative Forms of Delivery of Notices (telephone, facsimile or email):**

Transmission Provider:

[To be supplied.]

Interconnection Customer:

[To be supplied.]

**Appendix G to the LGIA**

**Requirements of Generators Relying on Newer Technologies**

**Appendix H to the LGIA****Interconnection Requirements for a Wind Generating Plant**

Appendix H sets forth requirements and provisions specific to a wind generating plant. All other requirements of this LGIA continue to apply to wind generating plant interconnections.

**A. Technical Standards Applicable to a Wind Generating Plant****i. Low Voltage Ride-Through (LVRT) Capability**

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

**ii. Transition Period LVRT Standard**

The transition period standard applies to wind generating plants subject to FERC Order 661 that have wind generating turbines subject to a wind turbine procurement contract executed prior to December 31, 2005, for delivery through 2007.

1. Wind generating plants are required to remain in-service during three-phase faults with normal clearing (which is a time period of approximately 4 – 9 cycles) and single line to ground faults with delayed clearing, and subsequent post-fault voltage recovery to pre-fault 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 H LVRT Standard are exempt from meeting the Appendix H LVRT Standard for the remaining life of the existing generation equipment. Existing individual generator units that are replaced are required to meet the Appendix H LVRT Standard.

iii. **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 H

LVRT Standard are exempt from meeting the Appendix H LVRT Standard for the remaining life of the existing generation equipment. Existing individual generator units that are replaced are required to meet the Appendix H LVRT Standard.

**iv. 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 606 (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.

**v. 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 I to LGIA

Operating Assumptions for Generating Facility

Check box if applicable

- Operating Assumptions:

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

APPENDIX ~~6A~~7 TO THE LGIPINTERCONNECTION PROCEDURES FOR A  
VARIABLE ENERGY RESOURCE (VER)

This Appendix sets forth procedures specific to a Variable Energy Resource (VER). All other requirements of this LGIP continue to apply to wind generating plant interconnections.

**Special Procedures Applicable to a VER**

The VER Interconnection Customer, in completing the Interconnection Request required by Section 3.4 of this LGIP, may provide to the Transmission Provider a set of preliminary electrical design specifications depicting the VER as a single equivalent generator. Upon satisfying these and other applicable Interconnection Request conditions, the VER 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 VER 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 ~~Cluster System Impact~~ Study. Included in the detail electrical design specifications the Interconnection Customer must also include the appropriate standard generator models for the proposed VER.

APPENDIX ~~6B8~~ TO THE LGIP

## INTERCONNECTION PROCEDURES FOR A WIND GENERATING PLANT

Appendix H of the LGIA 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 3.4](#) of this LGIP, may provide to ~~the~~ Transmission Provider a set of preliminary electrical design specifications depicting the wind plant as a single equivalent generator. Upon satisfying these and other applicable Interconnection Request conditions, the wind plant may enter the queue and receive the base case data as provided for in this LGIP.

No later than six months after submitting an Interconnection Request completed in this manner, the wind plant Interconnection Customer must submit completed detailed electrical design specifications and other data (including collector system layout data) needed to allow ~~the~~ Transmission Provider to complete the [Cluster System Impact Study](#).

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APPENDIX 7 to LGIP  
TRANSITIONAL CLUSTER STUDY AGREEMENT

THIS AGREEMENT is made and entered into this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_ by and between \_\_\_\_\_, a \_\_\_\_\_ organized and existing under the laws of the State of \_\_\_\_\_ (“Interconnection Customer”), and \_\_\_\_\_, a \_\_\_\_\_ organized 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 \_\_\_\_\_;

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

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

WHEREAS, Interconnection Customer has a valid Queue Position as of the [Transmission Provider to insert Commission approved effective date of compliance filing];

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

- \_\_\_\_\_ When used in this Agreement, with initial capitalization, the terms specified shall have the meanings indicated in this LGIP.
- \_\_\_\_\_ Interconnection Customer elects, and Transmission Provider shall cause to be performed, a Transitional Cluster Study.
- \_\_\_\_\_ The Transitional Cluster Study shall be based upon the technical information provided by Interconnection Customer in the Interconnection Request. 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 Transitional Cluster Study and Interconnection Customer shall provide such data as quickly as reasonable.
- \_\_\_\_\_ Pursuant to Section 5.1.1.2 of this LGIP, the interim Transitional Cluster Study Report shall provide the information below:

~~identification of any circuit breaker short circuit capability limits exceeded as a result of the interconnection;~~

~~identification of 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~~

~~Transmission Provider's Interconnection Facilities and Network Upgrades that are expected to be required as a result of the Interconnection Request(s) and a non-binding, good faith estimate of cost responsibility and a non-binding, good faith estimated time to construct.~~

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

~~Interconnection Customer has met the requirements described in Section 5.1.1.2 of this LGIP.~~

~~Interconnection Customer previously provided a deposit for the performance of Interconnection Studies. Upon receipt of the final Transitional Cluster Study Report, Transmission Provider shall charge and Interconnection Customer shall pay the actual costs of the Transitional Cluster Study. Any difference between the study deposit and the actual cost of the study shall be paid by or refunded to Interconnection Customer, in accordance with the provisions of Section 13.3 of this LGIP.~~

~~Miscellaneous. The Transitional Cluster 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 this 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: \_\_\_\_\_

Title: \_\_\_\_\_

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

~~Insert name of Interconnection Customer~~

By: \_\_\_\_\_

Title: \_\_\_\_\_

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

\_\_\_\_\_

APPENDIX 8 to LGIP

TRANSITIONAL SERIAL INTERCONNECTION FACILITIES STUDY AGREEMENT

THIS AGREEMENT is made and entered into this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, by and between \_\_\_\_\_, a \_\_\_\_\_ organized and existing under the laws of the State of \_\_\_\_\_ ("Interconnection Customer") and \_\_\_\_\_, a \_\_\_\_\_ organized 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 Large 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 continue processing its Interconnection Facilities Study to specify and estimate the cost of the equipment, engineering, procurement, and construction work needed to implement the conclusions of the final interconnection system impact study (from the previously effective serial study process) in accordance with Good Utility Practice to physically and electrically connect the Large Generating Facility to the Transmission System; and

WHEREAS, Transmission Provider has provided an Interconnection Facilities Study Agreement to [the] Interconnection Customer on or before [Transmission Provider to insert Commission approved effective date of compliance filing];

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

- \_\_\_\_\_ When used in this Agreement, with initial capitalization, the terms specified shall have the meanings indicated in this LGIP.
- \_\_\_\_\_ Interconnection Customer elects and Transmission Provider shall cause to be performed an Interconnection Facilities Study consistent with Section 8 of this LGIP.
- \_\_\_\_\_ The scope of the Interconnection Facilities Study shall be subject to the assumptions set forth in Attachment A to this Agreement, which shall be the same assumptions as the previous Interconnection Facilities Study Agreement executed by [the] Interconnection Customer.
- \_\_\_\_\_ The Interconnection Facilities Study Report shall: (1) provide a description, estimated cost of (consistent with Attachment A), and schedule for required facilities to interconnect the Large Generating Facility to the Transmission System; and (2) address the short

~~\_\_\_\_\_ circuit, instability, and power flow issues identified in the most recently published Cluster Study Report.~~

~~\_\_\_\_\_ Interconnection Customer has met the requirements described in Section 5.1.1.1 of this LCIP. The time for completion of the Interconnection Facilities Study is specified in Attachment A, and shall be no later than one hundred fifty (150) Calendar Days after [Transmission Provider to insert Commission approved effective date [accepted on] of compliance filing].~~

~~\_\_\_\_\_ Interconnection Customer previously provided a deposit of \_\_\_\_\_ dollars (\$ \_\_\_\_\_) for the performance of the Interconnection Facilities Study.~~

~~\_\_\_\_\_ Upon receipt of the Interconnection Facilities Study results, Transmission Provider shall charge and Interconnection Customer shall pay the actual costs of the Interconnection Facilities Study.~~

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

~~\_\_\_\_\_ Miscellaneous. The Interconnection Facilities Study Agreement shall include standard miscellaneous terms including, but not limited to, indemnities, representations, disclaimers, warranties, governing law, amendment, execution, waiver, enforceability and assignment, that reflect best practices in the electric industry, and that are consistent with regional practices, Applicable Laws and Regulations, and the organizational nature of each Party. All of these provisions, to the extent practicable, shall be consistent with the provisions of this LCIP and this 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: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_~~

~~[Insert name of Interconnection Customer]~~

~~By: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_  
\_\_\_\_\_~~

Transmission Agency of Northern California

Open Access Transmission Tariff

Attachment A to Appendix 8  
Transitional Serial Interconnection Facilities Study Agreement

ASSUMPTIONS USED IN CONDUCTING THE TRANSITIONAL SERIAL INTERCONNECTION-  
FACILITIES STUDY

{Assumptions to be completed by Interconnection Customer and Transmission Provider}

APPENDIX 79 to LGIP  
TWO-PARTY AFFECTED SYSTEM STUDY AGREEMENT

THIS AGREEMENT is made and entered into this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, by and between \_\_\_\_\_, a \_\_\_\_\_ organized and existing under the laws of the State of \_\_\_\_\_ (Affected System Interconnection Customer) and \_\_\_\_\_, a \_\_\_\_\_ organized and existing under the laws of the State of \_\_\_\_\_ (Transmission Provider). Affected System Interconnection Customer and Transmission Provider each may be referred to as a "Party," or collectively as the "Parties."

RECITALS

WHEREAS, Affected System Interconnection Customer is proposing to develop a {description of generating facility or generating capacity addition to an existing generating facility} consistent with the interconnection request submitted by Affected System Interconnection Customer to {name of host transmission provider}, dated \_\_\_\_\_, for which {name of host transmission provider} found impacts on Transmission Provider's Transmission System; and

WHEREAS, Affected System Interconnection Customer desires to interconnect the {generating facility} with {name of host transmission provider}'s transmission system;

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

1.0 When used in this Agreement, with initial capitalization, the terms specified shall have the meanings indicated in ~~this~~ Transmission Provider's LGIP.

\_\_\_\_\_ Transmission Provider shall coordinate with Affected System Interconnection Customer to perform an Affected System Study consistent with Section 9 of ~~this~~ Transmission Provider's LGIP.

2.0 \_\_\_\_\_

\_\_\_\_\_ The scope of the Affected System Study shall be subject to the assumptions set forth in Attachment A to this Agreement.

3.0 \_\_\_\_\_

4.0 The Affected System Study will be based upon the technical information provided by Affected System Interconnection Customer and {name of host transmission provider}. Transmission Provider reserves the right to request additional technical information from Affected System Interconnection Customer as may reasonably become necessary consistent with Good Utility Practice during the course of the Affected System Study.

5.0 The Affected System Study shall provide the following information:

- identification of any circuit breaker short circuit capability limits exceeded as a result of the interconnection;
- ~~—identification of any thermal overload or voltage limit violations resulting from the interconnection;~~
- ~~—~~
- identification of any instability or inadequately damped response to system disturbances resulting from the interconnection;
- non-binding, good faith estimated cost and time required to construct facilities required on Transmission Provider's Transmission System to accommodate the interconnection of the [generating facility] to the transmission system of the host transmission provider; and
- description of how such facilities will address the identified short circuit, instability, and power flow issues.

6.0 Affected System Interconnection Customer shall provide a deposit of \_\_\_\_\_\$100,000 for performance of the Affected System Study. Any difference between the deposit and the actual cost of the Affected System Study shall be paid by or refunded to Affected System Interconnection Customer, as appropriate. Affected System Interconnection Customer shall be invoiced on a monthly basis for the work to be conducted on the Affected System Study each month for work performed each month above the study deposit. Affected System Interconnection Customer shall pay invoiced amounts within thirty (30) Calendar Days of receipt of invoice. Upon receipt of the results of the Affected System Study by the Affected System Interconnection Customer, Transmission Provider shall charge, and Affected System Interconnection Customer shall pay, the actual cost of the Affected System Study. Any difference between the deposit and the actual cost of the Affected System Study shall be paid by or refunded to Affected System Interconnection Customer, as appropriate, including interest calculated in accordance with section 35.19a(a)(2) of FERC's regulations.

7.0 This Agreement shall include standard miscellaneous terms including, but not limited to, indemnities, representations, disclaimers, warranties, governing law, amendment, execution, waiver, enforceability, and assignment, which 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.

- 7.1 Binding Effect. This Agreement and the rights and obligations hereof, shall be binding upon and shall inure to the benefit of the successors and assigns of the Parties hereto.
- 7.2 Entire Agreement. This Agreement including all Appendices and Schedules attached hereto contain the entire agreement among the Parties and constitutes the complete, final and exclusive embodiment of their agreement with respect to the subject matter hereof, and may only be modified by a writing signed by either all of the Parties hereto or signed on behalf of the Parties.
- 7.3 No Third Party Beneficiary. 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.
- 7.4 Waivers. Any waiver, which such waiver must be in writing, at any time by any Party of its rights with respect to a default under this Agreement, or with respect to any other matter arising in connection with said Agreement, shall not be deemed a waiver with respect to any subsequent default or other matter arising in connection therewith. The failure of a Party to this Agreement to insist, on any occasion, upon strict performance of any provision of this Agreement will not be considered a waiver of any obligation, right, or duty of, or imposed upon, such Party. Any delay, short of the statutory period of limitation in asserting or enforcing any right, shall not be deemed a waiver of such right.
- 7.5 Headings. The descriptive headings of the various Articles of this Agreement have been inserted for convenience of reference only and are of no significance in the interpretation or construction of this Agreement.
- 7.6 Governing Law and Venue. This Agreement shall be interpreted and enforced in accordance with the substantive and procedural laws of the State of California. All actions or proceedings arising in connection with this Agreement shall be tried and litigated exclusively in State court located in Sacramento County, California and/or Federal court located in Sacramento County, California. The aforementioned choice of venue is mandatory, thereby precluding the possibility of litigation between the Parties with respect to or arising out of this Agreement in any jurisdiction other than that specified in this section. Each Party hereby waives any right it may have to assert the doctrine of forum non conveniens or a similar doctrine or to object to venue with respect to any proceeding brought in accordance with this section, and stipulates that the State court located in Sacramento County, California, and/or

Federal court located in Sacramento County, California, shall have in personam jurisdiction and venue over each of them for the purpose of litigating any dispute or proceeding arising out of or related to this Agreement. Each Party hereby authorizes service of process sufficient for personal jurisdiction in any action against it at the address and in the manner for the giving of notice as set forth in this Agreement.

7.7 Indemnification. The Affected System Interconnection Customer shall at all times indemnify, defend, and save the Transmission Provider harmless from, any and all damages, losses, claims, including claims and actions relating to injury to or death of any person or damage to property, demands, suits, recoveries, costs and expenses, court costs, attorney fees, and all other obligations by or to third parties, arising out of or resulting from the Transmission Provider's performance of its obligations under this Tariff on behalf of the Affected System Interconnection Customer, except in cases of gross negligence or intentional wrongdoing by the Transmission Provider.

7.8 No Warranty. Transmission Provider's Affected System Study shall not be construed as confirming or endorsing the design, or as any warranty of safety, durability, reliability, or suitability of Affected System Interconnection Customer's Generating Facility or installation thereof for any use, including the use intended by Affected System Interconnection Customer.

7.9 Uncontrollable Forces. Transmission Provider shall not be considered to be in Default of the provisions of this Agreement if delays in or failure of performance shall be due to uncontrollable forces, the effect of which, by the exercise of Reasonable Efforts, Transmission Provider could not avoid. The term uncontrollable forces as it pertains to this section shall mean any event which results in the prevention or delay of performance by Transmission Provider of its obligations under this Agreement and which is beyond the control of Transmission Provider. The term uncontrollable forces includes, but is not limited to, fire, acts of God, flood, earthquakes, storms, lightning, epidemic, war, riot, civil disturbance, sabotage, strikes, work slowdowns, or other labor disturbances, and judicial constraint. The provisions of this section shall not be interpreted or construed to require Transmission Provider to prevent, settle, or otherwise avoid a strike, work slowdown, or other labor action. Transmission Provider shall give timely written notice to Affected System Interconnection Customer describing the circumstances of uncontrollable forces which prevent the fulfillment of obligation of this Agreement. Transmission Provider shall give timely written notice to Affected System Interconnection Customer that the uncontrollable forces which prevented the fulfillment of obligations of this Agreement are no longer present and work has resumed on those obligations.

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

7.10.1 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 Agreement and carry out the transactions contemplated hereby and perform and carry out all covenants and obligations on its part to be performed under and pursuant to this Agreement.

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

7.10.3 No Conflict. The execution, delivery, and performance of this Agreement does not violate or conflict with the organizational or formation documents, or bylaws or operating agreement, of such Party, or any judgment, license, permit, order, material agreement, or instrument applicable to or binding upon such Party or any of its assets.

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

All notices, requests, demands, and other communications required or permitted under this Agreement shall be in writing, unless otherwise agreed by the Parties, and shall be delivered in person or sent by certified mail, postage prepaid, by overnight delivery, or by electronic mail properly addressed as follows:

When delivered to Transmission Provider:

[INSERT]

When delivered to Interconnection Customer:

[INSERT]

7.12 Tariff. This Agreement is subject to Transmission Provider's Tariff, as may be amended from time-to-time.

7.13 Multiple Counterparts. This Agreement may be executed in two (2) or more counterparts, each of which is deemed an original but all constitute one and the same instrument.

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}**

By: \_\_\_\_\_ By: \_\_\_\_\_

Title: \_\_\_\_\_ Title: \_\_\_\_\_

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

**{Insert name of Affected System Interconnection Customer}**

By: \_\_\_\_\_

Title: \_\_\_\_\_

Transmission Agency of Northern California

Open Access Transmission Tariff

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

Project No. \_\_\_\_\_

\_\_\_\_\_

[Attachment A to Appendix 79](#)  
[Two-Party Affected System Study Agreement](#)

[ASSUMPTIONS USED IN CONDUCTING THE](#)  
[AFFECTED SYSTEM STUDY](#)

[The Affected System Study will be based upon the following assumptions:](#)

[{Assumptions to be completed by Affected System Interconnection Customer and Transmission Provider}](#)

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APPENDIX 810 to LGIP  
MULTIPARTY AFFECTED SYSTEM STUDY AGREEMENT

THIS AGREEMENT is made and entered into this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, by and among \_\_\_\_\_, a \_\_\_\_\_ organized and existing under the laws of the State of \_\_\_\_\_ (Affected System Interconnection Customer); \_\_\_\_\_, a \_\_\_\_\_ organized and existing under the laws of the State of \_\_\_\_\_ (Affected System Interconnection Customer); and \_\_\_\_\_, a \_\_\_\_\_ organized and existing under the laws of the State of \_\_\_\_\_ (Transmission Provider). Affected System Interconnection Customers and Transmission Provider each may be referred to as a "Party," or collectively as the "Parties." When it is not important to differentiate among them, Affected System Interconnection Customers each may be referred to as "Affected System Interconnection Customer" or collectively as the "Affected System Interconnection Customers."

RECITALS

WHEREAS, Affected System Interconnection Customers are proposing to develop {description of generating facilities or generating capacity additions to an existing generating facility}, consistent with the interconnection requests submitted by Affected System Interconnection Customers to {name of host transmission provider}, dated \_\_\_\_\_, for which {name of host transmission provider} found impacts on Transmission Provider's Transmission System; and

WHEREAS, Affected System Interconnection Customers desire to interconnect the {generating facilities} with {name of host transmission provider}'s transmission system;

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

1.0 When used in this Agreement, with initial capitalization, the terms specified shall have the meanings indicated in ~~this~~ Transmission Provider's LGIP.

\_\_\_\_\_ Transmission Provider shall coordinate with Affected System Interconnection Customers to perform an Affected System Study consistent with Section 9 of ~~this~~ Transmission Provider's LGIP.

2.0 \_\_\_\_\_

3.0 The scope of the Affected System Study shall be subject to the assumptions set forth in Attachment A to this Agreement.

4.0 The Affected System Study will be based upon the technical information provided by Affected System Interconnection Customers and {name of host transmission provider}. Transmission Provider reserves the right to request additional technical information from Affected System Interconnection Customers as may reasonably become necessary consistent with Good Utility Practice during the course of the Affected System Study.

~~\_\_\_\_\_~~ The Affected System Study shall provide the following information:

5.0

~~\_\_\_\_\_~~ 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;

~~\_\_\_\_\_~~

~~\_\_\_\_\_~~ non-binding, good faith estimated cost and time required to construct facilities required on Transmission Provider's Transmission System to accommodate the interconnection of the (generating facilities) to the transmission system of the host transmission provider; and

~~\_\_\_\_\_~~

~~-~~ description of how such facilities will address the identified short circuit, instability, and power flow issues.

6.0 Affected System Interconnection Customers shall each provide a deposit of \_\_\_\_\_\$100,000 for performance of the Affected System Study. Upon receipt of the results of the Affected System Study by the Affected System Interconnection Customers, Transmission Provider shall charge, and Affected System Interconnection Customers shall pay, the actual cost of the Affected System Study. Any difference between the deposit and the actual cost of the Affected System Study shall be paid by or refunded to Affected System Interconnection Customers, as appropriate, including interest calculated in accordance with section 35.19a(a)(2) of FERC's regulations. Affected System Interconnection Customers shall be invoiced on a monthly basis for the work to be conducted on the Affected System Study each month for work performed each month above the study deposit. Affected System Interconnection Customers shall pay invoiced amounts within thirty (30) Calendar Days of receipt of invoice.

7.0 This Agreement shall include standard miscellaneous terms including, but not limited to, indemnities, representations, disclaimers, warranties, governing law, amendment, execution, waiver, enforceability, and assignment, which 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.

- 7.1 Binding Effect. This Agreement and the rights and obligations hereof, shall be binding upon and shall inure to the benefit of the successors and assigns of the Parties hereto.
- 7.2 Entire Agreement. This Agreement including all Appendices and Schedules attached hereto contain the entire agreement among the Parties and constitutes the complete, final and exclusive embodiment of their agreement with respect to the subject matter hereof, and may only be modified by a writing signed by either all of the Parties hereto or signed on behalf of the Parties.
- 7.3 No Third Party Beneficiary. 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.
- 7.4 Waivers. Any waiver, which such waiver must be in writing, at any time by any Party of its rights with respect to a default under this Agreement, or with respect to any other matter arising in connection with said Agreement, shall not be deemed a waiver with respect to any subsequent default or other matter arising in connection therewith. The failure of a Party to this Agreement to insist, on any occasion, upon strict performance of any provision of this Agreement will not be considered a waiver of any obligation, right, or duty of, or imposed upon, such Party. Any delay, short of the statutory period of limitation in asserting or enforcing any right, shall not be deemed a waiver of such right.
- 7.5 Headings. The descriptive headings of the various Articles of this Agreement have been inserted for convenience of reference only and are of no significance in the interpretation or construction of this Agreement.
- 7.6 Governing Law and Venue. This Agreement shall be interpreted and enforced in accordance with the substantive and procedural laws of the State of California. All actions or proceedings arising in connection with this Agreement shall be tried and litigated exclusively in State court located in Sacramento County, California and/or Federal court located in Sacramento County, California. The aforementioned choice of venue is mandatory, thereby precluding the possibility of litigation between the Parties with respect to or arising out of this Agreement in any jurisdiction other than that specified in this section. Each Party hereby waives any right it may have to assert the doctrine of forum non conveniens or a similar doctrine or to object to venue with respect to any proceeding brought in accordance with this section, and stipulates that the State court located in Sacramento County, California, and/or

Federal court located in Sacramento County, California, shall have in personam jurisdiction and venue over each of them for the purpose of litigating any dispute or proceeding arising out of or related to this Agreement. Each Party hereby authorizes service of process sufficient for personal jurisdiction in any action against it at the address and in the manner for the giving of notice as set forth in this Agreement.

7.7 Indemnification. The Affected System Interconnection Customer shall at all times indemnify, defend, and save the Transmission Provider harmless from, any and all damages, losses, claims, including claims and actions relating to injury to or death of any person or damage to property, demands, suits, recoveries, costs and expenses, court costs, attorney fees, and all other obligations by or to third parties, arising out of or resulting from the Transmission Provider's performance of its obligations under this Agreement on behalf of the Affected System Interconnection Customer, except in cases of gross negligence or intentional wrongdoing by the Transmission Provider.

7.8 No Warranty. Transmission Provider's Affected System Study shall not be construed as confirming or endorsing the design, or as any warranty of safety, durability, reliability, or suitability of Affected System Interconnection Customer's Generating Facility or installation thereof for any use, including the use intended by Affected System Interconnection Customer.

7.9 Uncontrollable Forces. Transmission Provider shall not be considered to be in Default of the provisions of this Agreement if delays in or failure of performance shall be due to uncontrollable forces, the effect of which, by the exercise of Reasonable Efforts, Transmission Provider could not avoid. The term uncontrollable forces as it pertains to this section shall mean any event which results in the prevention or delay of performance by Transmission Provider of its obligations under this Agreement and which is beyond the control of Transmission Provider. The term uncontrollable forces includes, but is not limited to, fire, acts of God, flood, earthquakes, storms, lightning, epidemic, war, riot, civil disturbance, sabotage, strikes, work slowdowns, or other labor disturbances, and judicial constraint. The provisions of this section shall not be interpreted or construed to require Transmission Provider to prevent, settle, or otherwise avoid a strike, work slowdown, or other labor action. Transmission Provider shall give timely written notice to Affected System Interconnection Customer describing the circumstances of uncontrollable forces which prevent the fulfillment of obligation of this Agreement. Transmission Provider shall give timely written notice to Affected System Interconnection Customer that the uncontrollable forces which prevented the fulfillment of obligations of this Agreement are no longer present and work has resumed on those obligations.

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

- 7.10.1 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 Agreement and carry out the transactions contemplated hereby and perform and carry out all covenants and obligations on its part to be performed under and pursuant to this Agreement.
- 7.10.2 Authority. Such Party has the right, power, and authority to enter into this Agreement, to become a Party hereto and to perform its obligations hereunder. This Agreement is a legal, valid, and binding obligation of such Party, enforceable against such Party in accordance with its terms, except as the enforceability thereof may be limited by applicable bankruptcy, insolvency, reorganization or other similar laws affecting creditors' rights generally and by general equitable principles (regardless of whether enforceability is sought in a proceeding in equity or at law).
- 7.10.3 No Conflict. The execution, delivery, and performance of this Agreement does not violate or conflict with the organizational or formation documents, or bylaws or operating agreement, of such Party, or any judgment, license, permit, order, material agreement, or instrument applicable to or binding upon such Party or any of its assets.
- 7.11 Consent and Approval. The Party has sought or obtained, or, in accordance with this Agreement will seek or obtain, each consent, approval, authorization, order, or acceptance by any Governmental Authority in connection with the execution, delivery, and performance of this Agreement, and it will provide to any Governmental Authority notice of any actions under this Agreement that are required by Applicable Laws and Regulations.
- All notices, requests, demands, and other communications required or permitted under this Agreement shall be in writing, unless otherwise agreed by the Parties, and shall be delivered in person or sent by certified mail, postage prepaid, by overnight delivery, or by electronic mail properly addressed as follows:

When delivered to Transmission Provider:

[INSERT]

When delivered to Affected System Interconnection Customers:

[INSERT]

7.12 Tariff. This Agreement is subject to Transmission Provider's Tariff, as may be amended from time-to-time.

7.13 Multiple Counterparts. This Agreement may be executed in two (2) or more counterparts, each of which is deemed an original but all constitute one and the same instrument.

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]

By: \_\_\_\_\_ By: \_\_\_\_\_

Title: \_\_\_\_\_ Title: \_\_\_\_\_

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

[Insert name of Affected System Interconnection Customer]

By: \_\_\_\_\_

Title: \_\_\_\_\_

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

Project No. \_\_\_\_\_

[Insert name of Affected System Interconnection Customer]

By: \_\_\_\_\_

Title: \_\_\_\_\_

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

Project No. \_\_\_\_\_

[Attachment A to Appendix 810  
Multiparty Affected System Study Agreement](#)

**ASSUMPTIONS USED IN CONDUCTING THE  
MULTIPARTY AFFECTED SYSTEM STUDY**

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

{Assumptions to be completed by Affected System Interconnection Customers and Transmission  
Provider}

\_\_\_\_\_

APPENDIX 911 TO LGIP  
TWO-PARTY AFFECTED SYSTEM FACILITIES CONSTRUCTION AGREEMENT

THIS AGREEMENT is made and entered into this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, by and between \_\_\_\_\_, organized and existing under the laws of the State of \_\_\_\_\_ (Affected System Interconnection Customer) and \_\_\_\_\_, an entity organized and existing under the laws of the State of \_\_\_\_\_ (Transmission Provider). Affected System Interconnection Customer and Transmission Provider each may be referred to as a "Party" or collectively as the "Parties."

RECITALS

WHEREAS, Affected System Interconnection Customer is proposing to develop a {description of generating facility or generating capacity addition to an existing generating facility} consistent with the interconnection request submitted by Affected System Interconnection Customer to {name of host transmission provider}, dated \_\_\_\_\_, for which {name of host transmission provider} found impacts on Transmission Provider's Transmission System; and

WHEREAS, Affected System Interconnection Customer desires to interconnect the {generating facility} to {name of host transmission provider}'s transmission system; and

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

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

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

ARTICLE 1  
DEFINITIONS

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

ARTICLE 2  
TERM OF AGREEMENT

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

2.2 Term.

2.2.1 General. This Agreement shall become effective as provided in Article 2.1 and shall continue in full force and effect until the earlier of (1) the final repayment, where applicable, by Transmission Provider of the amount funded by Affected System

Interconnection Customer for Transmission Provider's design, procurement, construction and installation of the Affected System Network Upgrade(s) provided in Appendix A; (2) the Parties agree to mutually terminate this Agreement; (3) earlier termination is permitted or provided for under Appendix A of this Agreement; or (4) Affected System Interconnection Customer terminates this Agreement after providing Transmission Provider with written notice at least sixty (60) Calendar Days prior to the proposed termination date, provided that Affected System Interconnection Customer has no outstanding contractual obligations to Transmission Provider under this Agreement. No termination of this Agreement shall be effective until the Parties have complied with all Applicable Laws and Regulations applicable to such termination. The term of this Agreement may be adjusted upon mutual agreement of the Parties if (1) the commercial operation date for the {generating facility} is adjusted in accordance with the rules and procedures established by {name of host transmission provider} or (2) the in-service date for the Affected System Network Upgrade(s) is adjusted in accordance with the rules and procedures established by Transmission Provider.

**2.2.2 Termination Upon Default.** Default shall mean the failure of a Breaching Party to cure its Breach in accordance with Article 5 of this Agreement where Breach and Breaching Party are defined in Article 5. Defaulting Party shall mean the Party that is in Default. In the event of a Default by a Party, the non-Defaulting Party shall have the termination rights described in Articles 5 and 6; provided, however, Transmission Provider may not terminate this Agreement if Affected System Interconnection Customer is the Defaulting Party and compensates Transmission Provider within thirty (30) Calendar Days for the amount of damages billed to Affected System Interconnection Customer by Transmission Provider for any such damages, including costs and expenses, incurred by Transmission Provider as a result of such Default.

**2.2.3 Consequences of Termination.** In the event of a termination by either Party, other than a termination by Affected System Interconnection Customer due to a Default by Transmission Provider, Affected System Interconnection Customer shall be responsible for the payment to Transmission Provider of all amounts then due and payable for construction and installation of the Affected System Network Upgrade(s) (including, without limitation, any equipment ordered related to such construction), plus all out-of-pocket expenses incurred by Transmission Provider in connection with the construction and installation of the Affected System Network Upgrade(s), through the date of termination, and, in the event of the termination of the entire Agreement, any actual costs which Transmission Provider reasonably incurs in (1) winding up work and construction demobilization and (2) ensuring the safety of persons and property and the integrity and safe and reliable operation of Transmission Provider's Transmission System. Transmission Provider shall use Reasonable Efforts to minimize such costs.

**2.2.4 Reservation of Rights.** RESERVED.

**2.3 Filing.** RESERVED. Transmission Provider shall file this Agreement (and any amendment hereto) with the appropriate Governmental Authority, if required. Affected System

~~Interconnection Customer may request that any information so provided be subject to the confidentiality provisions of Article 8. If Affected System Interconnection Customer has executed this Agreement, or any amendment thereto, Affected System 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.~~

~~2.4 **Survival.** This Agreement shall continue in effect after termination, to the extent necessary, to provide for final billings and payments and for costs incurred hereunder, including billings and payments pursuant to this Agreement; to permit the determination and enforcement of liability and indemnification obligations arising from acts or events that occurred while this Agreement was in effect; and to permit each Party to have access to the lands of the other Party pursuant to this Agreement or other applicable agreements, to disconnect, remove, or salvage its own facilities and equipment.~~

~~2.5 **Termination Obligations.** Upon any termination pursuant to this Agreement, Affected System Interconnection Customer shall be responsible for the payment of all costs or other contractual obligations incurred prior to the termination date, including previously incurred capital costs, penalties for early termination, and costs of removal and site restoration.~~

### **ARTICLE 3** **CONSTRUCTION OF AFFECTED SYSTEM NETWORK UPGRADE(S)**

#### **3.1 Construction.**

~~3.1.1 **Transmission Provider Obligations.** Transmission Provider shall (or shall cause such action to) design, procure, construct, and install, and Affected System Interconnection Customer shall pay, consistent with Article 3.2, the costs of all Affected System Network Upgrade(s) identified in Appendix A. All Affected System Network Upgrade(s) designed, procured, constructed, and installed by Transmission Provider pursuant to this Agreement shall satisfy all requirements of applicable safety and/or engineering codes and comply with Good Utility Practice, and further, shall satisfy all Applicable Laws and Regulations. 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, or any Applicable Laws and Regulations.~~

#### **3.1.2 Suspension of Work.**

~~3.1.2.1 **Right to Suspend.** Affected System Interconnection Customer must provide to Transmission Provider written notice of its request for suspension. Only the milestones described in the Appendices of this Agreement are subject to suspension under this Article 3.1.2. Affected System Network Upgrade(s) will be constructed on the schedule described in the Appendices of this Agreement unless: (1) construction is prevented by the order of a Governmental Authority; (2) the Affected System~~

Network Upgrade(s) are not needed by any other Interconnection Customer; or (3) Transmission Provider determines that a Force Majeure event prevents construction. In the event of (1), (2), or (3), any security paid to Transmission Provider under Article 4.1 of this Agreement shall be released by Transmission Provider upon the determination by Transmission Provider that the Affected System Network Upgrade(s) will no longer be constructed. If suspension occurs, Affected System Interconnection Customer shall be responsible for the costs which Transmission Provider incurs (i) in accordance with this Agreement prior to the suspension; (ii) 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 Transmission Provider's Transmission System and, if applicable, any costs incurred in connection with the cancellation of contracts and orders for material which Transmission Provider cannot reasonably avoid; and (iii) reasonably incurs in winding up work and construction demobilization; provided, however, that, prior to canceling any such contracts or orders, Transmission Provider shall obtain Affected System Interconnection Customer's authorization. Affected System Interconnection Customer shall be responsible for all costs incurred in connection with Affected System Interconnection Customer's failure to authorize cancellation of such contracts or orders.

~~Interest on amounts paid by Affected System Interconnection Customer to Transmission Provider for the design, procurement, construction, and installation of the Affected System Network Upgrade(s) shall not accrue during periods in which Affected System Interconnection Customer has suspended construction under this Article 3.1.2.~~

Transmission Provider shall invoice Affected System Interconnection Customer pursuant to Article 4 and will use Reasonable Efforts to minimize its costs. In the event Affected System Interconnection Customer suspends work by Affected System Transmission Provider required under this Agreement pursuant to this Article 3.1.2.1, and has not requested Affected System Transmission Provider to recommence the work required under this Agreement on or before the expiration of three (3) years following commencement of such suspension, this Agreement 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 Affected System Transmission Provider, whichever is earlier, if no effective date of suspension is specified.

**3.1.3 Construction Status.** Transmission Provider shall keep Affected System Interconnection Customer advised periodically as to the progress of its design, procurement and construction efforts, as described in Appendix A. Affected System Interconnection

Customer may, at any time and reasonably, request a progress report from Transmission Provider. If, at any time, Affected System Interconnection Customer determines that the completion of the Affected System Network Upgrade(s) will not be required until after the specified in-service date, Affected System Interconnection Customer will provide written notice to Transmission Provider of such later date upon which the completion of the Affected System Network Upgrade(s) would be required. Transmission Provider may delay the in-service date of the Affected System Network Upgrade(s) accordingly.

**3.1.4 Timely Completion.** Transmission Provider shall use Reasonable Efforts to design, procure, construct, install, and test the Affected System Network Upgrade(s) in accordance with the schedule set forth in Appendix A, which schedule may be revised from time to time by mutual agreement of the Parties. If any event occurs that will affect the time or ability to complete the Affected System Network Upgrade(s), Transmission Provider shall promptly notify Affected System Interconnection Customer. In such circumstances, Transmission Provider shall, within fifteen (15) Calendar Days of such notice, convene a meeting with Affected System Interconnection Customer to evaluate the alternatives available to Affected System Interconnection Customer. Transmission Provider shall also make available to Affected System Interconnection Customer all studies and work papers related to the event and corresponding delay, including all information that is in the possession of Transmission Provider that is reasonably needed by Affected System Interconnection Customer to evaluate alternatives, subject to confidentiality arrangements consistent with Article 8. Transmission Provider shall, at Affected System Interconnection Customer's request and expense, use Reasonable Efforts to accelerate its work under this Agreement to meet the schedule set forth in Appendix A, provided that (1) Affected System Interconnection Customer authorizes such actions, such authorization to be withheld, conditioned, or delayed by Affected System Interconnection Customer only if it can demonstrate that the acceleration would have a material adverse effect on it; and (2) the Affected System Interconnection Customer funds costs associated therewith in advance.

## **3.2 Interconnection Costs.**

**3.2.1 Costs.** Affected System Interconnection Customer shall pay to Transmission Provider costs (including taxes and financing costs) associated with seeking and obtaining all necessary approvals and of designing, engineering, constructing, and testing the Affected System Network Upgrade(s), as identified in Appendix A, in accordance with the cost recovery method provided herein. Unless Transmission Provider elects to fund the Affected System Network Upgrade(s), they shall be initially funded by Affected System Interconnection Customer.

**3.2.1.1 Lands of Other Property Owners.** If any part of the Affected System Network Upgrade(s) is to be installed on property owned by persons other than Affected System Interconnection Customer or Transmission Provider, Transmission Provider shall, at Affected System Interconnection Customer's expense, use efforts similar in nature and extent to those that it

typically undertakes on its own behalf or on behalf of its Affiliates, including use of its eminent domain authority to the extent permitted and consistent with Applicable Laws and Regulations and, to the extent consistent with such Applicable Laws and Regulations, to procure from such persons any rights of use, licenses, rights-of-way, and easements that are necessary to construct, operate, maintain, test, inspect, replace, or remove the Affected System Network Upgrade(s) upon such property.

### 3.2.2 Repayment.

**3.2.2.1 Repayment.** Consistent with Articles 11.4.1 and 11.4.2 of ~~the~~ Transmission Provider's *pro forma* LGIA, Affected System Interconnection Customer shall be entitled to a cash repayment by Transmission Provider of the amount paid to Transmission Provider, if any, for the Affected System Network Upgrade(s), ~~including any tax gross-up or other tax-related payments associated with the Affected System Network Upgrade(s), and not refunded to Affected System Interconnection Customer pursuant to Article 3.3.1 or otherwise. The Parties may mutually agree to a repayment schedule, to be outlined in Appendix A, not to exceed twenty (20) years from the commercial operation date, for the complete~~ repayment for all applicable costs associated with the Affected System Network Upgrade(s). ~~Any repayment shall include interest calculated in accordance with the methodology set forth in FERC's regulations at 18 CFR 35.19 a(a)(2)(iii) from the date of any payment for Affected System Network Upgrade(s) through the date on which Affected System Interconnection Customer receives a repayment of such payment pursuant to this subparagraph. Interest shall not accrue during periods in which Affected System Interconnection Customer has suspended construction pursuant to Article 3.1.2. Affected System Interconnection Customer may assign such repayment rights to any person.~~

**3.2.2.2 Impact of Failure to Achieve Commercial Operation.** If the Affected System Interconnection Customer's generating facility fails to achieve commercial operation, but it or another generating facility is later constructed and makes use of the Affected System Network Upgrade(s), Transmission Provider shall at that time reimburse Affected System Interconnection Customer for the amounts advanced for the Affected System Network Upgrade(s). Before any such reimbursement can occur, Affected System Interconnection Customer (or the entity that ultimately constructs the generating facility, if different), is responsible for identifying the entity to which the reimbursement must be made.

### 3.3 Taxes.

**3.3.1 Indemnification for Contributions in Aid of Construction.** The Parties intend that all payments or property transfers made by Affected System Interconnection Customer to

Transmission Provider for the installation of the Affected System Network Upgrade(s) shall be non-taxable as contributions in aid of construction in accordance with the Internal Revenue Code and any other applicable tax laws and regulations. Any taxes or cost consequences imposed shall be the sole responsibility of Affected System Interconnection Customer.

Notwithstanding any provision in this Agreement to the contrary, Affected System Interconnection Customer shall protect, indemnify and hold harmless Transmission Provider from the cost or other consequences of any tax liability imposed against Transmission Provider as the result of payments or property transfers made by Affected system Interconnection Customer to Transmission Provider under this Agreement, or use of Transmission System (including any Affected System Network Upgrade to that Transmission System) by Affected System Interconnection Customer under this Agreement.

~~With regard only to payments made by Affected System Interconnection Customer to Transmission Provider for the installation of the Affected System Network Upgrade(s), Transmission Provider shall not include a gross up for income taxes in the amounts it charges Affected System Interconnection Customer for the installation of the Affected System Network Upgrade(s) unless (1) Transmission Provider has determined, in good faith, that the payments or property transfers made by Affected System Interconnection Customer to Transmission Provider should be reported as income subject to taxation, or (2) any Governmental Authority directs Transmission Provider to report payments or property as income subject to taxation. Affected System Interconnection Customer shall reimburse Transmission Provider for such costs on a fully grossed-up basis, in accordance with this Article, 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 (10) year testing period and the applicable statute of limitation, as it may be extended by Transmission Provider upon request of the Internal Revenue Service, 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. Notwithstanding the foregoing provisions of this Article 3.3.1, and to the extent permitted by law, to the extent that the receipt of such payments by Transmission Provider is determined by any Governmental Authority to constitute income by Transmission Provider subject to taxation, Affected System Interconnection Customer shall protect, indemnify, and hold harmless Transmission Provider and its Affiliates, from all claims by any such Governmental Authority for any tax, interest, and/or penalties associated with such determination. Upon receiving written notification of such determination from the Governmental Authority, Transmission Provider shall provide Affected System Interconnection Customer with written notification within thirty (30) Calendar Days of such determination and notification. Transmission Provider, upon the timely written request by Affected System Interconnection Customer and at Affected System Interconnection Customer's expense, shall appeal, protest, seek abatement of, or otherwise oppose such 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 compromise or settlement of the claim; provided that Transmission Provider shall cooperate and consult in good faith with Affected System Interconnection Customer regarding the conduct of such contest. Affected System Interconnection Customer shall not be~~

~~required to pay Transmission Provider for the tax, interest, and/or penalties prior to the seventh (7<sup>th</sup>) Calendar Day before the date on which Transmission Provider (1) is required to pay the tax, interest, and/or penalties or other amount in lieu thereof pursuant to a compromise or settlement of the appeal, protest, abatement, or other contest; (2) is required to pay the tax, interest, and/or penalties as the result of a final, non appealable order by a Governmental Authority; or (3) is required to pay the tax, interest, and/or penalties as a prerequisite to an appeal, protest, abatement, or other contest. In the event such appeal, protest, abatement, or other contest results in a determination that Transmission Provider is not liable for any portion of any tax, interest, and/or penalties for which Affected System Interconnection Customer has already made payment to Transmission Provider, Transmission Provider shall promptly refund to Affected System Interconnection Customer any payment attributable to the amount determined to be non-taxable, plus any interest (calculated in accordance with 18 CFR 35.19a(a)(2)(iii)) or other payments Transmission Provider receives or which Transmission Provider may be entitled with respect to such payment. Affected System Interconnection Customer shall provide Transmission Provider with credit assurances sufficient to meet Affected System Interconnection Customer's estimated liability for reimbursement of Transmission Provider for taxes, interest, and/or penalties under this Article 3.3.1. Such estimated liability shall be stated in Appendix A.~~

~~To the extent that Transmission Provider is a limited liability company and not a corporation, and has elected to be taxed as a partnership, then the following shall apply: Transmission Provider represents, and the Parties acknowledge, that Transmission Provider is a limited liability company and is treated as a partnership for federal income tax purposes. Any payment made by Affected System Interconnection Customer to Transmission Provider for Affected System Network Upgrade(s) is to be treated as an upfront payment. It is anticipated by the Parties that any amounts paid by Affected System Interconnection Customer to Transmission Provider for Affected System Network Upgrade(s) will be reimbursed to Affected System Interconnection Customer in accordance with the terms of this Agreement, provided Affected System Interconnection Customer fulfills its obligations under this Agreement.~~

~~**3.3.2 Private Letter Ruling.** At Affected System Interconnection Customer's request and expense, Transmission Provider shall file with the Internal Revenue Service a request for a private letter ruling as to whether any property transferred or sums paid, or to be paid, by Affected System Interconnection Customer to Transmission Provider under this Agreement are subject to federal income taxation. Affected System 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 Affected System Interconnection Customer's knowledge. Transmission Provider and Affected System Interconnection Customer shall cooperate in good faith with respect to the submission of such request.~~

**3.3.23 Other Taxes.** Upon the timely request by Affected System Interconnection Customer, and at Affected System Interconnection Customer's sole expense, Transmission Provider shall 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 Affected System Interconnection Customer may be required to reimburse Transmission Provider under the terms of this Agreement. Affected System 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. Affected System 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 Affected System 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, Affected System Interconnection Customer will be responsible for all taxes, interest and penalties, ~~other than penalties attributable to any delay caused by Transmission Provider.~~

- 3.3.3** Each Party shall cooperate with the other Party to maintain each Party's tax status. Nothing in this Agreement is intended to adversely affect any Party's tax-exempt status with respect to the issuance of bonds including, but not limited to, local furnishing bonds, as described in section 142(f) of the Internal Revenue Code, and tax-exempt municipal financing.

#### **ARTICLE 4** **SECURITY, BILLING, AND PAYMENTS**

- 4.1** **Provision of Security.** By the earlier of (1) thirty (30) Calendar Days prior to the due date for Affected System Interconnection Customer's first payment under the payment schedule specified in Appendix A, or (2) the first date specified in Appendix A for the ordering of equipment by Transmission Provider for installing the Affected System Network Upgrade(s), Affected System Interconnection Customer shall provide Transmission Provider, at Affected System Interconnection Customer's option, a guarantee, a surety bond, letter of credit or other form of security that is reasonably acceptable to Transmission Provider. Such security for payment shall be in an amount sufficient to cover the costs for constructing, procuring, and installing the applicable portion of Affected System Network Upgrade(s) and shall be reduced on a dollar-for-dollar basis for payments made to Transmission Provider for these purposes.

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 Affected System Interconnection Customer, up to an agreed-to maximum amount. The letter of credit must be issued by a financial institution reasonably acceptable to Transmission Provider and must specify a reasonable expiration date. The surety bond must be issued by an insurer reasonably acceptable to Transmission Provider and must specify a reasonable expiration date.

- 4.2** **Invoice.** Each Party shall submit to the other Party, on a monthly basis, invoices of amounts due, if any, for the preceding month. Each invoice shall state the month to which the invoice applies and fully describe the services and equipment provided. The Parties may discharge mutual debts and payment obligations due and owing to each other on the same date through netting, in which case all amounts a Party owes to the other Party under this Agreement, ~~including interest payments,~~ shall be netted so that only the net amount remaining due shall be paid by the owing Party.

- ~~4.3~~ **Payment.** Invoices shall be rendered to the paying Party at the address specified by the Parties. The Party receiving the invoice shall pay the invoice within thirty (30) Calendar Days of receipt. All payments shall be made in immediately available funds payable to the other Party, or by wire transfer to a bank named and account designated by the invoicing Party. Payment of invoices by a Party will not constitute a waiver of any rights or claims that Party may have under this Agreement.
- ~~4.4~~ **Final Invoice.** Within six (6) months after completion of the construction of the Affected System Network Upgrade(s), Transmission Provider shall provide an invoice of the final cost of the construction of the Affected System Network Upgrade(s) and shall set forth such costs in sufficient detail to enable Affected System Interconnection Customer to compare the actual costs with the estimates and to ascertain deviations, if any, from the cost estimates. Transmission Provider shall refund, ~~with interest (calculated in accordance with 18 CFR 35.19a(a)(2)(iii)),~~ to Affected System Interconnection Customer any amount by which the actual payment by Affected System Interconnection Customer for estimated costs exceeds the actual costs of construction within thirty (30) Calendar Days of the issuance of such final construction invoice.
- ~~4.5~~ **Interest.** Interest on any unpaid amounts shall be calculated in accordance with 18 CFR 35.19a(a)(2)(iii).
- ~~4.56~~ **Payment During Dispute.** In the event of a billing dispute among the Parties, Transmission Provider shall continue to construct the Affected System Network Upgrade(s) under this Agreement as long as Affected System Interconnection Customer: (1) continues to make all payments not in dispute; and (2) pays to Transmission Provider or into an independent escrow account the portion of the invoice in dispute, pending resolution of such dispute. If Affected System Interconnection Customer fails to meet these two requirements, then Transmission Provider may provide notice to Affected System Interconnection Customer of a Default pursuant to Article 5. Within thirty (30) Calendar Days after the resolution of the dispute, the Party that owes money to another Party shall pay the amount due, ~~with interest calculated in accordance with the methodology set forth in 18 CFR 35.19a(a)(2)(iii).~~

## ARTICLE 5 BREACH, CURE AND DEFAULT

- ~~5.1~~ **Events of Breach.** A Breach of this Agreement shall include the:
- ~~(a)~~ Failure to pay any amount when due;
  - ~~(b)~~ Failure to comply with any material term or condition of this Agreement, including but not limited to any material Breach of a representation, warranty, or covenant made in this Agreement;
  - ~~(c)~~ Failure of a Party to provide such access rights, or a Party's attempt to revoke access or terminate such access rights, as provided under this Agreement; or

(d) Failure of a Party to provide information or data to another Party as required under this Agreement, provided the Party entitled to the information or data under this Agreement requires such information or data to satisfy its obligations under this Agreement.

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

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

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

**5.3.2** In the event the Breaching Party fails to cure within the Cure Period, the Breaching Party will be in Default of this Agreement, and the non-Defaulting Party may terminate this Agreement in accordance with Article 6.32 of this Agreement or take whatever action at law or in equity as may appear necessary or desirable to enforce the performance or observance of any rights, remedies, obligations, agreement, or covenants under this Agreement.

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

## **ARTICLE 6** **TERMINATION OF AGREEMENT**

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

**6.2** Termination. ~~In addition to the termination provisions set forth in Article 2.2, a Party may terminate this Agreement upon the Default of the other Party in accordance with Article 5.2.2 of this Agreement. Subject to the limitations set forth in Article 6.3, in the event of a Default, RESERVED.~~

**6.3** Disposition of Facilities Upon Termination of Agreement.

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

(a) shall, prior to the construction and installation of any portion of the Affected System Network Upgrade(s) and to the extent possible, cancel any pending orders

of, or return, such equipment or material for such Affected System Network Upgrade(s);

- (b) may keep in place any portion of the Affected System Network Upgrade(s) already constructed and installed; and,
- (c) shall perform such work as may be necessary to ensure the safety of persons and property and to preserve the integrity of Transmission Provider's Transmission System (e.g., construction demobilization to return the system to its original state, wind-up work).

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

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

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

## **ARTICLE 7** **SUBCONTRACTORS**

**7.1 Subcontractors.** Nothing in this Agreement shall prevent a Party from utilizing the services of subcontractors, as it deems appropriate, to perform its obligations under this Agreement; provided, however, that each Party shall require its subcontractors to comply with all applicable terms and conditions of this Agreement in providing such services, and each Party shall remain primarily liable to the other Party for the performance of such subcontractor.

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

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

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

## **ARTICLE 8** **CONFIDENTIALITY**

**8.1 Confidentiality.** Confidential Information shall include, without limitation, all information relating to a Party's technology, research and development, business affairs, and pricing, and any information supplied to the other Party prior to the execution of this Agreement.

Information is Confidential Information only if it is clearly designated or marked in writing as confidential on the face of the document, or, if the information is conveyed orally or by inspection, if the Party providing the information orally informs the Party receiving the information that the information is confidential. The Parties shall maintain as confidential any information that is provided and identified by a Party as Critical Energy Infrastructure Information (CEII), as that term is defined in 18 CFR 388.113(c).

Such confidentiality will be maintained in accordance with this Article 8. If requested by the receiving Party, the disclosing Party shall provide in writing, the basis for asserting that the information referred to in this Article warrants confidential treatment, and the requesting Party may disclose such writing to the appropriate Governmental Authority. Each Party shall be responsible for the costs associated with affording confidential treatment to its information.

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

and regulations.

**8.1.2 Scope.** Confidential Information shall not include information that the receiving Party can demonstrate: (1) is generally available to the public other than as a result of a disclosure by the receiving Party; (2) was in the lawful possession of the receiving Party on a non-confidential basis before receiving it from the disclosing Party; (3) was supplied to the receiving Party without restriction by a non-Party, who, to the knowledge of the receiving Party after due inquiry, was under no obligation to the disclosing Party to keep such information confidential; (4) was independently developed by the receiving Party without reference to Confidential Information of the disclosing Party; (5) is, or becomes, publicly known, through no wrongful act or omission of the receiving Party or Breach of this Agreement; or (6) is required, in accordance with Article 8.1.6 of this Agreement, to be disclosed by any Governmental Authority or is otherwise required to be disclosed by law or subpoena, or is necessary in any legal proceeding establishing rights and obligations under this Agreement. Information designated as Confidential Information will no longer be deemed confidential if the Party that designated the information as confidential notifies the receiving Party that it no longer is confidential.

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

**8.1.4 Rights.** Each Party shall retain all rights, title, and interest in the Confidential Information that it discloses to the receiving Party. The disclosure by a Party to the receiving Party of Confidential Information shall not be deemed a waiver by the disclosing Party or any other person or entity of the right to protect the Confidential Information from public disclosure.

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

**8.1.6 Order of Disclosure.** If a court or a Government Authority or entity with the right, power, and apparent authority to do so requests or requires either Party, by subpoena, oral deposition, interrogatories, requests for production of documents, administrative

order, or otherwise, to disclose Confidential Information, that Party shall provide the disclosing Party with prompt notice of such request(s) or requirement(s) so that the disclosing Party may seek an appropriate protective order or waive compliance with the terms of this Agreement. Notwithstanding the absence of a protective order or waiver, the Party may disclose such Confidential Information which, in the opinion of its counsel, the Party is legally compelled to disclose. Each Party will use Reasonable Efforts to obtain reliable assurance that confidential treatment will be accorded any Confidential Information so furnished.

**8.1.7 Termination of Agreement.** Upon termination of this Agreement for any reason, each Party shall, within ten (10) Business Days of receipt of a written request from the other Party, use Reasonable Efforts to destroy, erase, or delete (with such destruction, erasure, and deletion certified in writing to the requesting Party) or return to the requesting Party any and all written or electronic Confidential Information received from the requesting Party, except that each Party may keep one copy for archival purposes, provided that the obligation to treat it as Confidential Information in accordance with this Article 8 shall survive such termination.

**8.1.8 Remedies.** The Parties agree that monetary damages would be inadequate to compensate a Party for the other Party's Breach of its obligations under this Article 8. Each Party accordingly agrees that the disclosing Party shall be entitled to equitable relief by way of injunction or otherwise, if the receiving Party Breaches or threatens to Breach its obligations under this Article 8, which equitable relief shall be granted without bond or proof of damages, and the breaching Party shall not plead in defense that there would be an adequate remedy at law. Such remedy shall not be deemed an exclusive remedy for the Breach of this Article 8, but it shall be in addition to all other remedies available at law or in equity. The Parties further acknowledge and agree that the covenants contained herein are necessary for the protection of legitimate business interests and are reasonable in scope. Neither Party, however, shall be liable for indirect, incidental, or consequential or punitive damages of any nature or kind resulting from or arising in connection with this Article 8.

**8.1.9 Disclosure to FERC, its Staff, or a State Regulatory Body.** Notwithstanding anything in this Article 8 to the contrary, and pursuant to 18 CFR 1b.20, if FERC or its staff, during the course of an investigation or otherwise, requests information from a Party that is otherwise required to be maintained in confidence pursuant to this Agreement, the Party shall provide the requested information to FERC or its staff, within the time provided for in the request for information. In providing the information to FERC or its staff, the Party must, consistent with 18 CFR 388.112, request that the information be treated as confidential and non-public by FERC and its staff and that the information be withheld from public disclosure. Parties are prohibited from notifying the other Party to this Agreement prior to the release of the Confidential Information to FERC or its staff. The Party shall notify the other Party to the Agreement when it is notified by FERC or its staff that a request to release Confidential Information has been received by FERC, at which time either of the Parties may respond before such information would be made public.

pursuant to 18 CFR 388.112. Requests from a state regulatory body conducting a confidential investigation shall be treated in a similar manner if consistent with the applicable state rules and regulations.

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

#### **ARTICLE 9** **INFORMATION ACCESS AND AUDIT RIGHTS**

9.1 Information Access. Each Party shall make available to the other Party information necessary to verify the costs incurred by the other Party for which the requesting Party is responsible under this Agreement and carry out obligations and responsibilities under this Agreement, provided that the Parties shall not use such information for purposes other than those set forth in this Article 9.1 and to enforce their rights under this Agreement.

9.2 Audit Rights. Subject to the requirements of confidentiality under Article 8 of this Agreement, the accounts and records related to the design, engineering, procurement, and construction of the Affected System Network Upgrade(s) shall be subject to audit during the period of this Agreement and for a period of twenty-four (24) months following Transmission Provider's issuance of a final invoice in accordance with Article 4.4. Affected System Interconnection Customer at its expense shall have the right, during normal business hours, and upon prior reasonable notice to Transmission Provider, to audit such accounts and records. Any audit authorized by this Article 9.2 shall be performed at the offices where such accounts and records are maintained and shall be limited to those portions of such accounts and records that relate to obligations under this Agreement.

#### **ARTICLE 10** **NOTICES**

**10.1 General.** Any notice, demand, or request required or permitted to be given by a Party to the other Party, and any instrument required or permitted to be tendered or delivered by a Party in writing to another Party, may be so given, tendered, or delivered, as the case may be, by depositing the same with the United States Postal Service with postage prepaid, for transmission by certified or registered mail, addressed to the Parties, or personally delivered to the Parties, at the address set out below:

-  
To Transmission Provider:

-

To Affected System Interconnection Customer:

-

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

**10.3 Alternative Forms of Notice.** Any notice or request required or permitted to be given by a Party to the other Party and not required by this Agreement to be given in writing may be so given by telephone, facsimile or email to the telephone numbers and email addresses set out below:

-  
To Transmission Provider:

-

-

-

To Affected System Interconnection Customer:

**10.4 Execution.** Affected System Interconnection Customer shall either: (i) execute ~~two~~ one electronic originals of this tendered Agreement and return them to Transmission Provider; or (ii) request ~~in writing that Transmission Provider proceed with an unexecuted form subject to Dispute Resolution procedures outlined in Section 13.5 of Transmission Provider's LGIP. As soon as practicable, but not later than ten (10) Business Days after receiving either the two executed originals of this tendered Agreement (if it does not conform with the standard form of this Agreement) or the request for an unexecuted agreement subject to Dispute Resolution.~~ An unexecuted version of this Agreement should contain terms and conditions deemed appropriate by Transmission Provider for the Affected System Interconnection Customer's generating facility. If the Parties agree to proceed with design, procurement, and construction of facilities and upgrades under the agreed-upon terms of the unexecuted version of this Agreement they may proceed pending FERC action Dispute Resolution.

**ARTICLE 11  
MISCELLANEOUS**

~~11.1 This Agreement shall include standard miscellaneous terms including, but not limited to,~~

~~indemnities, representations, disclaimers, warranties, governing law, amendment, execution, waiver, enforceability and assignment, which 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 this LGIP.~~

- 11.1 Binding Effect. This Agreement and the rights and obligations hereof, shall be binding upon and shall inure to the benefit of the successors and assigns of the Parties hereto.
- 11.2 Rules of Interpretation. This Agreement, unless a clear contrary intention appears, shall be construed and interpreted as follows: (1) the singular number includes the plural number and vice versa; (2) reference to any person includes such person's successors and assigns but, in the case of a Party, only if such successors and assigns are permitted by this Agreement, and reference to a person in a particular capacity excludes such person in any other capacity or individually; (3) reference to any agreement (including this Agreement), document, instrument or tariff means such agreement, document, instrument, or tariff as amended or modified and in effect from time to time in accordance with the terms thereof and, if applicable, the terms hereof; (4) reference to any Applicable Laws and Regulations means such Applicable Laws and Regulations as amended, modified, codified, or reenacted, in whole or in part, and in effect from time to time, including, if applicable, rules and regulations promulgated thereunder; (5) unless expressly stated otherwise, reference to any Article, Section or Appendix means such Article of this Agreement or such Appendix to this Agreement, or such Section to the LGIP or such Appendix to the LGIP, as the case may be; (6) "hereunder", "hereof", "herein", "hereto" and words of similar import shall be deemed references to this Agreement as a whole and not to any particular Article or other provision hereof or thereof; (7) "including" (and with correlative meaning "include") means including without limiting the generality of any description preceding such term; and (8) relative to the determination of any period of time, "from" means "from and including", "to" means "to but excluding" and "through" means "through and including".
- 11.3 Entire Agreement. This Agreement including all Appendices and Schedules attached hereto contain the entire agreement among the Parties and constitutes the complete, final and exclusive embodiment of their agreement with respect to the subject matter hereof, and may only be modified by a writing signed by either all of the Parties hereto or signed on behalf of the Parties.
- 11.4 No Third Party Beneficiary. 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.
- 11.5 Waivers. Any waiver, which such waiver must be in writing, at any time by any Party of its rights with respect to a default under this Agreement, or with respect to any other matter arising in connection with said Agreement, shall not be deemed a waiver with respect to any subsequent default or other matter arising in connection therewith. The failure of a Party to this Agreement to insist, on any occasion, upon strict performance of any provision of this Agreement will not be considered a waiver of any obligation, right, or duty of, or imposed upon, such Party. Any delay,

short of the statutory period of limitation in asserting or enforcing any right, shall not be deemed a waiver of such right.

- 11.6 Headings. The descriptive headings of the various Articles of this Agreement have been inserted for convenience of reference only and are of no significance in the interpretation or construction of this Agreement.
- 11.7 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.
- 11.8 Severability. If any provision or obligation under this Agreement shall be determined by a court or competent jurisdiction to be invalid, illegal or unenforceable, that provision shall be deemed severed from this Agreement and the validity, legality and enforceability of the remaining provisions or obligations shall remain in full force as though the invalid, illegal, or unenforceable provision had never been a part of this Agreement.
- 11.9 Governing Law and Venue. This Agreement shall be interpreted and enforced in accordance with the substantive and procedural laws of the State of California. All actions or proceedings arising in connection with this Agreement shall be tried and litigated exclusively in State court located in Sacramento County, California and/or Federal court located in Sacramento County, California. The aforementioned choice of venue is mandatory, thereby precluding the possibility of litigation between the Parties with respect to or arising out of this Agreement in any jurisdiction other than that specified in this section. Each Party hereby waives any right it may have to assert the doctrine of forum non conveniens or a similar doctrine or to object to venue with respect to any proceeding brought in accordance with this section, and stipulates that the State court located in Sacramento County, California, and/or Federal court located in Sacramento County, California, shall have in personam jurisdiction and venue over each of them for the purpose of litigating any dispute or proceeding arising out of or related to this Agreement. Each Party hereby authorizes service of process sufficient for personal jurisdiction in any action against it at the address and in the manner for the giving of notice as set forth in this Agreement.
- 11.10 Indemnification. The Affected System Interconnection Customer shall at all times indemnify, defend, and save the Transmission Provider harmless from, any and all damages, losses, claims, including claims and actions relating to injury to or death of any person or damage to property, demands, suits, recoveries, costs and expenses, court costs, attorney fees, and all other obligations by or to third parties, arising out of or resulting from the Transmission Provider's performance of its obligations under this Tariff on behalf of the Affected System Interconnection Customer, except in cases of gross negligence or intentional wrongdoing by the Transmission Provider.

11.11 No Warranty. This Agreement shall not be construed as confirming or endorsing the design, or as any warranty of safety, durability, reliability, or suitability of Affected System Interconnection Customer's Generating Facility or installation thereof for any use, including the use intended by Affected System Interconnection Customer.

11.12 Uncontrollable Forces. Transmission Provider shall not be considered to be in Default of the provisions of this Agreement if delays in or failure of performance shall be due to uncontrollable forces, the effect of which, by the exercise of Reasonable Efforts, Transmission Provider could not avoid. The term uncontrollable forces as it pertains to this section shall mean any event which results in the prevention or delay of performance by Transmission Provider of its obligations under this Agreement and which is beyond the control of Transmission Provider. The term uncontrollable forces includes, but is not limited to, fire, acts of God, flood, earthquakes, storms, lightning, epidemic, war, riot, civil disturbance, sabotage, inability to procure permits, licenses, or authorizations from any state, local, or federal agency, or person for any of the supplies, materials, accesses, or services required to be provided by Transmission Provider under this Agreement, strikes, work slowdowns, or other labor disturbances, and judicial constraint. The provisions of this section shall not be interpreted or construed to require Transmission Provider to prevent, settle, or otherwise avoid a strike, work slowdown, or other labor action. Transmission Provider shall give timely written notice to Affected System Interconnection Customer describing the circumstances of uncontrollable forces which prevent the fulfillment of obligation of this Agreement. Transmission Provider shall give timely written notice to Affected System Interconnection Customer that the uncontrollable forces which prevented the fulfillment of obligations of this Agreement are no longer present and work has resumed on those obligations.

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

11.13.1 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 Agreement and carry out the transactions contemplated hereby and perform and carry out all covenants and obligations on its part to be performed under and pursuant to this Agreement.

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

11.13.3 No Conflict. The execution, delivery, and performance of this Agreement does not violate or conflict with the organizational or formation documents, or bylaws or operating agreement, of such Party, or any judgment, license, permit, order, material agreement, or instrument applicable to or binding upon such Party or any of its assets.

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

All notices, requests, demands, and other communications required or permitted under this Agreement shall be in writing, unless otherwise agreed by the Parties, and shall be delivered in person or sent by certified mail, postage prepaid, by overnight delivery, or by electronic mail properly addressed as follows:

When delivered to Transmission Provider:

[INSERT]

When delivered to Affected System Interconnection Customer:

[INSERT]

11.12 Multiple Counterparts. This Agreement may be executed in two (2) or more counterparts, each of which is deemed an original but all constitute one and the same instrument.

{Signature Page to Follow}

=====

IN WITNESS WHEREOF, the Parties have executed this Agreement in multiple originals, each of which shall constitute and be an original Agreement among the Parties.

-  
-  
Transmission Provider  
**{Transmission Provider}**

By: \_\_\_\_\_

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

Title: \_\_\_\_\_

-  
-  
Affected System Interconnection Customer  
**{Affected System Interconnection Customer}**

By: \_\_\_\_\_

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

Title: \_\_\_\_\_

Project No. \_\_\_\_\_

\_\_\_\_\_

Attachment Appendix A to Appendix 911  
Two-Party Affected System Facilities Construction Agreement

AFFECTED SYSTEM NETWORK UPGRADE(S), COST ESTIMATES AND RESPONSIBILITY,  
CONSTRUCTION SCHEDULE AND MONTHLY PAYMENT SCHEDULE

- This Appendix A is a part of the Affected System Facilities Construction Agreement between Affected System Interconnection Customer and Transmission Provider.

- 1.1 Affected System Network Upgrade(s) to be installed by Transmission Provider.

{description}

- 1.2 First Equipment Order (including permitting).

{description}

- 1.2.1. Permitting and Land Rights – Transmission Provider Affected System Network Upgrade(s)

{description}

- 1.3 Construction Schedule. Where applicable, construction of the Affected System Network Upgrade(s) is scheduled as follows and will be periodically updated as necessary:

Table 1: Transmission Provider Construction Activities

<u>MILESTONE NUMBER</u>	<u>DESCRIPTION</u>	<u>START DATE</u>	<u>END DATE</u>
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-

- Note: Construction schedule assumes that Transmission Provider has obtained final authorizations and security from Affected System Interconnection Customer and all necessary permits from Governmental Authorities as necessary prerequisites to commence construction of any of the Affected System Network Upgrade(s).

1.4 Payment Schedule.

1.4.1 Timing of and Adjustments to Affected System Interconnection Customer’s Payments and Security.

{description}

1.4.2 Monthly Payment Schedule. Affected System Interconnection Customer’s payment schedule is as follows.

{description}

Table 2: Affected System Interconnection Customer’s Payment/Security Obligations for Affected System Network Upgrade(s).

<u>MILESTONE NUMBER</u>	<u>DESCRIPTION</u>	<u>DATE</u>
-	-	-
-	-	-
-	-	-
-	-	-

Note: Affected System Interconnection Customer’s payment or provision of security as provided in this Agreement operates as a condition precedent to Transmission Provider’s obligations to construct any Affected System Network Upgrade(s), and failure to meet this schedule will constitute a Breach pursuant to Article 5.1 of this Agreement.

1.5 Permits, Licenses, and Authorizations.

{description}

~~Attachment~~ Appendix B to Appendix 944  
Two-Party Affected System Facilities Construction Agreement

NOTIFICATION OF COMPLETED CONSTRUCTION

- This Appendix B is a part of the Affected Systems Facilities Construction Agreement between Affected System Interconnection Customer and Transmission Provider. Where applicable, when Transmission Provider has completed construction of the Affected System Network Upgrade(s), Transmission Provider shall send notice to Affected System Interconnection Customer in substantially the form following:

- {Date}

- {Affected System Interconnection Customer Address}

- Re: Completion of Affected System Network Upgrade(s)

- Dear {Name or Title}:

- This letter is sent pursuant to the Affected System Facilities Construction Agreement between {Transmission Provider} and {Affected System Interconnection Customer}, dated \_\_\_\_\_, 20\_\_\_\_.

- On {Date}, Transmission Provider completed to its satisfaction all work on the Affected System Network Upgrade(s) required to facilitate the safe and reliable interconnection and operation of Affected System Interconnection Customer's {description of generating facility}. Transmission Provider confirms that the Affected System Network Upgrade(s) are in place.

- Thank you.

- {Signature}

{Transmission Provider Representative}

~~Attachment Appendix C to Appendix 911~~  
Two-Party Affected System Facilities Construction Agreement

EXHIBITS

This Appendix C is a part of the Affected System Facilities Construction Agreement ~~among~~ between Affected System Interconnection Customer and Transmission Provider.

-  
Exhibit A1  
Transmission Provider Site Map

-  
Exhibit A2  
Site Plan

-  
Exhibit A3  
Affected System Network Upgrade(s) Plan & Profile

-  
Exhibit A4  
Estimated Cost of Affected System Network Upgrade(s)

	<u>Location</u>	<u>Facilities to Be Constructed by Transmission Provider</u>	<u>Estimate in Dollars</u>
-	-	-	-
-	-	<u>Total:</u>	-

**APPENDIX 102 TO LGIP**  
**MULTIPARTY AFFECTED SYSTEM FACILITIES CONSTRUCTION AGREEMENT**

THIS AGREEMENT is made and entered into this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, by and among \_\_\_\_\_, organized and existing under the laws of the State of \_\_\_\_\_ (Affected System Interconnection Customer); \_\_\_\_\_, a \_\_\_\_\_ organized and existing under the laws of the State of \_\_\_\_\_ (Affected System Interconnection Customer); and \_\_\_\_\_, an entity organized and existing under the laws of the State of \_\_\_\_\_ (Transmission Provider). Affected System Interconnection Customers and Transmission Provider each may be referred to as a "Party" or collectively as the "Parties." When it is not important to differentiate among them, Affected System Interconnection Customers each may be referred to as "Affected System Interconnection Customer" or collectively as "Affected System Interconnection Customers."

**RECITALS**

WHEREAS, Affected System Interconnection Customers are proposing to develop {description of generating facilities or generating capacity additions to an existing generating facility}, consistent with the interconnection requests submitted by Affected System Interconnection Customers to {name of host transmission provider}, dated \_\_\_\_\_, for which {name of host transmission provider} found impacts on Transmission Provider's Transmission System; and

WHEREAS, Affected System Interconnection Customers desire to interconnect the {generating facilities} to {name of host transmission provider}'s transmission system; and

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

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

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

**ARTICLE 1**  
**DEFINITIONS**

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

**ARTICLE 2**  
**TERM OF AGREEMENT**

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

2.2 Term.

**2.2.1 General.** This Agreement shall become effective as provided in Article 2.1 and shall continue in full force and effect until the earlier of (1) the final repayment, where applicable, by Transmission Provider of the amount funded by Affected System Interconnection Customers for Transmission Provider's design, procurement, construction, and installation of the Affected System Network Upgrade(s) provided in Appendix A; (2) the Parties agree to mutually terminate this Agreement; (3) earlier termination is permitted or provided for under Appendix A of this Agreement; or (4) Affected System Interconnection Customers terminate this Agreement after providing Transmission Provider with written notice at least sixty (60) Calendar Days prior to the proposed termination date, provided that Affected System Interconnection Customers have no outstanding contractual obligations to Transmission Provider under this Agreement. No termination of this Agreement shall be effective until the Parties have complied with all Applicable Laws and Regulations applicable to such termination. The term of this Agreement may be adjusted upon mutual agreement of the Parties if the commercial operation date(s) for the [generating facilities] is adjusted in accordance with the rules and procedures established by [name of host transmission provider] or the in-service date for the Affected System Network Upgrade(s) is adjusted in accordance with the rules and procedures established by Transmission Provider.

**2.2.2 Termination Upon Default.** Default shall mean the failure of a Breaching Party to cure its Breach in accordance with Article 5 of this Agreement where Breach and Breaching Party are defined in Article 5. Defaulting Party shall mean the Party that is in Default. In the event of a Default by a Party, each non-Defaulting Party shall have the termination rights described in Articles 5 and 6; provided, however, Transmission Provider may not terminate this Agreement if an Affected System Interconnection Customer is the Defaulting Party and compensates Transmission Provider within thirty (30) Calendar Days for the amount of damages billed to Affected System Interconnection Customer(s) by Transmission Provider for any such damages, including costs and expenses incurred by Transmission Provider as a result of such Default. Notwithstanding the foregoing, Default by one or more Affected System Interconnection Customers shall not provide the other Affected System Interconnection Customer(s), either individually or in concert, with the right to terminate the entire Agreement. The non-Defaulting Party/Parties may, individually or in concert, initiate the removal of an Affected System Interconnection Customer that is a Defaulting Party from this Agreement. Transmission Provider shall not terminate this Agreement or the participation of any Affected System Interconnection Customer without provision being made for Transmission Provider to be fully reimbursed for all of its costs incurred under this Agreement.

**2.2.3 Consequences of Termination.** In the event of a termination by a Party, other than a termination by Affected System Interconnection Customer(s) due to a Default by Transmission Provider, each Affected System Interconnection Customer whose participation in this Agreement is terminated shall be responsible for the payment to Transmission Provider of all amounts then due and payable for construction and installation of the Affected System Network Upgrade(s) (including, without limitation,

any equipment ordered related to such construction), plus all out-of-pocket expenses incurred by Transmission Provider in connection with the construction and installation of the Affected System Network Upgrade(s), through the date of termination, and, in the event of the termination of the entire Agreement, any actual costs which Transmission Provider reasonably incurs in (1) winding up work and construction demobilization and (2) ensuring the safety of persons and property and the integrity and safe and reliable operation of Transmission Provider's Transmission System. Transmission Provider shall use Reasonable Efforts to minimize such costs. The cost responsibility of other Affected System Interconnection Customers shall be adjusted, as necessary, based on the payments by an Affected System Interconnection Customer that is terminated from the Agreement.

**2.2.4 Reservation of Rights. RESERVED.**

**2.3 Filing. RESERVED.** ~~Transmission Provider shall file this Agreement (and any amendment hereto) with the appropriate Governmental Authority, if required. Affected System Interconnection Customers may request that any information so provided be subject to the confidentiality provisions of Article 8. Each Affected System Interconnection Customer that has executed this Agreement, or any amendment thereto, 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.~~

**2.4 Survival.** This Agreement shall continue in effect after termination, to the extent necessary, to provide for final billings and payments and for costs incurred hereunder, including billings and payments pursuant to this Agreement; to permit the determination and enforcement of liability and indemnification obligations arising from acts or events that occurred while this Agreement was in effect; and to permit each Party to have access to the lands of the other Party pursuant to this Agreement or other applicable agreements, to disconnect, remove, or salvage its own facilities and equipment.

**2.5 Termination Obligations.** Upon any termination pursuant to this Agreement or termination of the participation in this Agreement of an Affected System Interconnection Customer, each Affected System Interconnection Customer shall be responsible for the payment of its proportionate share of all costs or other contractual obligations incurred prior to the termination date, including previously incurred capital costs, penalties for early termination, and costs of removal and site restoration. The cost responsibility of the other Affected System Interconnection Customers shall be adjusted as necessary.

**ARTICLE 3**  
**CONSTRUCTION OF AFFECTED SYSTEM NETWORK UPGRADE(S)**

**3.1 Construction.**

**3.1.1 Transmission Provider Obligations.** Transmission Provider shall (or shall cause such action to) design, procure, construct, and install, and Affected System Interconnection Customers shall pay, consistent with Article 3.2, the costs of all Affected System Network Upgrade(s) identified in Appendix A. All Affected System Network Upgrade(s)

designed, procured, constructed, and installed by Transmission Provider pursuant to this Agreement shall satisfy all requirements of applicable safety and/or engineering codes and comply with Good Utility Practice, and further, shall satisfy all Applicable Laws and Regulations. 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, or any Applicable Laws and Regulations.

### **3.1.2 Suspension of Work.**

**3.1.2.1 Right to Suspend.** Affected System Interconnection Customers must jointly provide to Transmission Provider written notice of their request for suspension. Only the milestones described in the Appendices of this Agreement are subject to suspension under this Article 3.1.2. Affected System Network Upgrade(s) will be constructed on the schedule described in the Appendices of this Agreement unless: (1) construction is prevented by the order of a Governmental Authority; (2) the Affected System Network Upgrade(s) are not needed by any other Interconnection Customer; or (3) Transmission Provider determines that a Force Majeure event prevents construction. In the event of (1), (2), or (3), any security paid to Transmission Provider under Article 4.1 of this Agreement shall be released by Transmission Provider upon the determination by Transmission Provider that the Affected System Network Upgrade(s) will no longer be constructed. If suspension occurs, Affected System Interconnection Customers shall be responsible for the costs which Transmission Provider incurs (i) in accordance with this Agreement prior to the suspension; (ii) 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 Transmission Provider's Transmission System and, if applicable, any costs incurred in connection with the cancellation of contracts and orders for material which Transmission Provider cannot reasonably avoid; and (iii) reasonably incurs in winding up work and construction demobilization; provided, however, that, prior to canceling any such contracts or orders, Transmission Provider shall obtain Affected System Interconnection Customers' authorization. Affected System Interconnection Customers shall be responsible for all costs incurred in connection with Affected System Interconnection Customers' failure to authorize cancellation of such contracts or orders.

~~Interest on amounts paid by Affected System Interconnection Customers to Transmission Provider for the design, procurement, construction, and installation of the Affected System Network Upgrade(s) shall not accrue during periods in which Affected System Interconnection Customers have suspended construction under this Article 3.1.2.~~

Transmission Provider shall invoice Affected System Interconnection

Customers pursuant to Article 4 and will use Reasonable Efforts to minimize its costs. In the event Affected System Interconnection Customers suspend work by Affected System Transmission Provider required under this Agreement pursuant to this Article 3.1.2.1, and have not requested Affected System Transmission Provider to recommence the work required under this Agreement on or before the expiration of three (3) years following commencement of such suspension, this Agreement 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 Affected System Transmission Provider, whichever is earlier, if no effective date of suspension is specified.

**3.1.3 Construction Status.** Transmission Provider shall keep Affected System Interconnection Customers advised periodically as to the progress of its design, procurement, and construction efforts, as described in Appendix A. An Affected System Interconnection Customer may, at any time and reasonably, request a progress report from Transmission Provider. If, at any time, an Affected System Interconnection Customer determines that the completion of the Affected System Network Upgrade(s) will not be required until after the specified in-service date, such Affected System Interconnection Customer will provide written notice to all other Parties of such later date for which the completion of the Affected System Network Upgrade(s) would be required. Transmission Provider may delay the in-service date of the Affected System Network Upgrade(s) accordingly, but only if agreed to by all other Affected System Interconnection Customers.

**3.1.4 Timely Completion.** Transmission Provider shall use Reasonable Efforts to design, procure, construct, install, and test the Affected System Network Upgrade(s) in accordance with the schedule set forth in Appendix A, which schedule may be revised from time to time by mutual agreement of the Parties. If any event occurs that will affect the time or ability to complete the Affected System Network Upgrade(s), Transmission Provider shall promptly notify all other Parties. In such circumstances, Transmission Provider shall, within fifteen (15) Calendar Days of such notice, convene a meeting with Affected System Interconnection Customers to evaluate the alternatives available to Affected System Interconnection Customers. Transmission Provider shall also make available to Affected System Interconnection Customers all studies and work papers related to the event and corresponding delay, including all information that is in the possession of transmission Provider that is reasonably needed by Affected System Interconnection Customers to evaluate alternatives, subject to confidentiality arrangements consistent with Article 8. Transmission Provider shall, at any Affected System Interconnection Customer's request and expense, use Reasonable Efforts to accelerate its work under this Agreement to meet the schedule set forth in Appendix A, provided that (1) Affected System Interconnection Customers jointly authorize such actions, such authorizations to be withheld, conditioned, or delayed by a given Affected System Interconnection Customer only if it can demonstrate that the acceleration would have a material adverse effect on it; and (2) the requesting Affected System

Interconnection Customer(s) funds the costs associated therewith in advance, or all Affected System Interconnection Customers agree in advance to fund such costs based on such other allocation method as they may adopt.

### **3.2 Interconnection Costs.**

**3.2.1 Costs.** Affected System Interconnection Customers shall pay to Transmission Provider costs (including taxes and financing costs) associated with seeking and obtaining all necessary approvals and of designing, engineering, constructing, and testing the Affected System Network Upgrade(s), as identified in Appendix A, in accordance with the cost recovery method provided herein. Except as expressly otherwise agreed, Affected System Interconnection Customers shall be collectively responsible for these costs, based on their proportionate share of cost responsibility, as provided in Appendix A. Unless Transmission Provider elects to fund the Affected System Network Upgrade(s), they shall be initially funded by the applicable Affected System Interconnection Customer.

**3.2.1.1 Lands of Other Property Owners.** If any part of the Affected System Network Upgrade(s) is to be installed on property owned by persons other than Affected System Interconnection Customers or Transmission Provider, Transmission Provider shall, at Affected System Interconnection Customers' expense, use efforts similar in nature and extent to those that it typically undertakes on its own behalf or on behalf of its Affiliates, including use of its eminent domain authority to the extent permitted and consistent with Applicable Laws and Regulations and, to the extent consistent with such Applicable Laws and Regulations, to procure from such persons any rights of use, licenses, rights-of-way, and easements that are necessary to construct, operate, maintain, test, inspect, replace, or remove the Affected System Network Upgrade(s) upon such property.

### **3.2.2 Repayment.**

**3.2.2.1 Repayment.** Consistent with ~~Articles 11.4.1 and 11.4.2 of [the]~~ Transmission Provider's *pro forma* LGIA, each Affected System Interconnection Customer shall be entitled to a cash repayment by Transmission Provider of the amount each Affected System Interconnection Customer paid to Transmission Provider, if any, for the Affected System Network Upgrade(s), ~~including any tax gross up or other tax related payments associated with the Affected System Network Upgrade(s), and not refunded to Affected System Interconnection Customer pursuant to Article 3.3.1 or otherwise.~~ The Parties may mutually agree to a repayment schedule, to be outlined in Appendix A, ~~not to exceed twenty (20) years from the commercial operation date, for the complete repayment for all applicable costs associated with the Affected System Network Upgrade(s).~~ Any repayment shall include interest calculated in accordance with the methodology set forth in FERC's regulations at

~~18 CFR 35.19 a(a)(2)(iii) from the date of any payment for Affected System Network Upgrade(s) through the date on which Affected System Interconnection Customers receive a repayment of such payment pursuant to this subparagraph. Interest shall not accrue during periods in which Affected System Interconnection Customers have suspended construction pursuant to Article 3.1.2.1. Affected System Interconnection Customers may assign such repayment rights to any person.~~

**3.2.2.2 Impact of Failure to Achieve Commercial Operation.** If an Affected System Interconnection Customer's generating facility fails to achieve commercial operation, but it or another generating facility is later constructed and makes use of the Affected System Network Upgrade(s), Transmission Provider shall at that time reimburse such Affected System Interconnection Customers for the portion of the Affected System Network Upgrade(s) it funded. Before any such reimbursement can occur, Affected System Interconnection Customer (or the entity that ultimately constructs the generating facility, if different), is responsible for identifying the entity to which the reimbursement must be made.

### **3.3 Taxes.**

**3.3.1 Indemnification for Contributions in Aid of Construction.** The Parties intend that all payments or property transfers made by Affected System Interconnection Customers to Transmission Provider for the installation of the Affected System Network Upgrade(s) shall be non-taxable as contributions in aid of construction in accordance with the Internal Revenue Code and any other applicable tax laws and regulations. Any taxes or cost consequences imposed shall be the sole responsibility of Affected System Interconnection Customers.

Notwithstanding any provision in this Agreement to the contrary, Affected System Interconnection Customers shall protect, indemnify and hold harmless Transmission Provider from the cost or other consequences of any tax liability imposed against Transmission Provider as the result of payments or property transfers made by Affected System Interconnection Customers to Transmission Provider under this Agreement, or use of Transmission System (including any Affected System Network Upgrade to that Transmission System) by Affected System Interconnection Customers under this Agreement.

~~With regard only to payments made by Affected System Interconnection Customers to Transmission Provider for the installation of the Affected System Network Upgrade(s), Transmission Provider shall not include a gross up for income taxes in the amounts it charges Affected System Interconnection Customers for the installation of the Affected System Network Upgrade(s) unless (1) Transmission Provider has determined, in good faith, that the payments or property transfers made by Affected System Interconnection Customers to Transmission Provider should be reported as income subject to taxation, or (2) any Governmental Authority directs Transmission Provider to report payments or~~

~~property as income subject to taxation. Affected System Interconnection Customers shall reimburse Transmission Provider for such costs on a fully grossed up basis, in accordance with this Article, 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 (10) year testing period and the applicable statute of limitation, as it may be extended by Transmission Provider upon request of the Internal Revenue Service, 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. Notwithstanding the foregoing provisions of this Article 3.3.1, and to the extent permitted by law, to the extent that the receipt of such payments by Transmission Provider is determined by any Governmental Authority to constitute income by Transmission Provider subject to taxation, Affected System Interconnection Customers shall protect, indemnify, and hold harmless Transmission Provider and its Affiliates, from all claims by any such Governmental Authority for any tax, interest, and/or penalties associated with such determination. Upon receiving written notification of such determination from the Governmental Authority, Transmission Provider shall provide Affected System Interconnection Customers with written notification within thirty (30) Calendar Days of such determination and notification. Transmission Provider, upon the timely written request by any one or more Affected System Interconnection Customer(s) and at the expense of such Affected System Interconnection Customer(s), shall appeal, protest, seek abatement of, or otherwise oppose such 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 compromise or settlement of the claim; provided that Transmission Provider shall cooperate and consult in good faith with the requesting Affected System Interconnection Customer(s) regarding the conduct of such contest. Affected System Interconnection Customer(s) shall not be required to pay Transmission Provider for the tax, interest, and/or penalties prior to the seventh (7<sup>th</sup>) Calendar Day before the date on which Transmission Provider (1) is required to pay the tax, interest, and/or penalties or other amount in lieu thereof pursuant to a compromise or settlement of the appeal, protest, abatement, or other contest; (2) is required to pay the tax, interest, and/or penalties as the result of a final, non-appealable order by a Governmental Authority; or (3) is required to pay the tax, interest, and/or penalties as a prerequisite to an appeal, protest, abatement, or other contest. In the event such appeal, protest, abatement, or other contest results in a determination that Transmission Provider is not liable for any portion of any tax, interest, and/or penalties for which any Affected System Interconnection Customer(s) has already made payment to Transmission Provider, Transmission Provider shall promptly refund to such Affected System Interconnection Customer(s) any payment attributable to the amount determined to be non-taxable, plus any interest (calculated in accordance with 18 CFR 35.19a(a)(2)(iii)) or other payments Transmission Provider receives or to which Transmission Provider may be entitled with respect to such payment. Each Affected System Interconnection Customer shall provide Transmission Provider with credit assurances sufficient to meet each Affected System~~

~~Interconnection Customer's estimated liability for reimbursement of Transmission Provider for taxes, interest, and/or penalties under this Article 3.3.1. Such estimated liability shall be stated in Appendix A.~~

~~To the extent that Transmission Provider is a limited liability company and not a corporation, and has elected to be taxed as a partnership, then the following shall apply: Transmission Provider represents, and the Parties acknowledge, that Transmission Provider is a limited liability company and is treated as a partnership for federal income tax purposes. Any payment made by Affected System Interconnection Customers to Transmission Provider for Affected System Network Upgrade(s) is to be treated as an upfront payment. It is anticipated by the Parties that any amounts paid by each Affected System Interconnection Customer to Transmission Provider for Affected System Network Upgrade(s) will be reimbursed to such Affected System Interconnection Customer in accordance with the terms of this Agreement, provided such Affected System Interconnection Customer fulfills its obligations under this Agreement.~~

~~**3.3.2 Private Letter Ruling.** At the request and expense of any Affected System Interconnection Customer(s), Transmission Provider shall file with the Internal Revenue Service a request for a private letter ruling as to whether any property transferred or sums paid, or to be paid, by such Affected System Interconnection Customer(s) to Transmission Provider under this Agreement are subject to federal income taxation. Each Affected System Interconnection Customer desiring such a request 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 such Affected System Interconnection Customer's knowledge. Transmission Provider and such Affected System Interconnection Customer(s) shall cooperate in good faith with respect to the submission of such request.~~

**3.3.23 Other Taxes.** Upon the timely request by any one or more Affected System Interconnection Customer(s), and at such Affected System Interconnection Customer(s)' sole expense, Transmission Provider shall 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 such Affected System Interconnection Customer(s) may be required to reimburse Transmission Provider under the terms of this Agreement. Affected System Interconnection Customer(s) who requested the action 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. The requesting Affected System Interconnection Customer(s) 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 Affected System Interconnection Customer(s) 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, Affected System Interconnection Customer(s) will be responsible for all

taxes, interest, and penalties, other than penalties attributable to any delay caused by Transmission Provider.

**3.3.3** Each Party shall cooperate with the other Party to maintain each Party's tax status. Nothing in this Agreement is intended to adversely affect any Party's tax-exempt status with respect to the issuance of bonds including, but not limited to, local furnishing bonds, as described in section 142(f) of the Internal Revenue Code, and tax-exempt municipal financing.

#### **ARTICLE 4 SECURITY, BILLING, AND PAYMENTS**

**4.1** Provision of Security. By the earlier of (1) thirty (30) Calendar Days prior to the due date for each Affected System Interconnection Customer's first payment under the payment schedule specified in Appendix A, or (2) the first date specified in Appendix A for the ordering of equipment by Transmission Provider for installing the Affected System Network Upgrade(s), each Affected System Interconnection Customer shall provide Transmission Provider, at each Affected System Interconnection Customer's option, a guarantee, a surety bond, letter of credit, or other form of security that is reasonably acceptable to Transmission Provider. Such security for payment shall be in an amount sufficient to cover the costs for constructing, procuring, and installing the applicable portion of Affected System Network Upgrade(s) and shall be reduced on a dollar-for-dollar basis for payments made to Transmission Provider for these purposes.

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 such Affected System Interconnection Customer, up to an agreed-to maximum amount. The letter of credit must be issued by a financial institution reasonably acceptable to Transmission Provider and must specify a reasonable expiration date. The surety bond must be issued by an insurer reasonably acceptable to Transmission Provider and must specify a reasonable expiration date.

**4.2** Invoice. Each Party shall submit to the other Parties, on a monthly basis, invoices of amounts due, if any, for the preceding month. Each invoice shall state the month to which the invoice applies and fully describe the services and equipment provided. The Parties may discharge mutual debts and payment obligations due and owing to each other on the same date through netting, in which case all amounts a Party owes to another Party under this Agreement, ~~including interest payments,~~ shall be netted so that only the net amount remaining due shall be paid by the owing Party.

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

**4.4 Final Invoice.** Within six (6) months after completion of the construction of the Affected System Network Upgrade(s) Transmission Provider shall provide an invoice of the final cost of the construction of the Affected System Network Upgrade(s) and shall set forth such costs in sufficient detail to enable each Affected System Interconnection Customer to compare the actual costs with the estimates and to ascertain deviations, if any, from the cost estimates. Transmission Provider shall refund, with interest (calculated in accordance with 18 CFR 35.19a(a)(2)(iii)), to each Affected System Interconnection Customer any amount by which the actual payment by Affected System Interconnection Customer for estimated costs exceeds the actual costs of construction within thirty (30) Calendar Days of the issuance of such final construction invoice.

~~4.5 Interest. Interest on any unpaid amounts shall be calculated in accordance with 18 CFR 35.19a(a)(2)(iii).~~

**4.56 Payment During Dispute.** In the event of a billing dispute among the Parties, Transmission Provider shall continue to construct the Affected System Network Upgrade(s) under this Agreement as long as each Affected System Interconnection Customer: (1) continues to make all payments not in dispute; and (2) pays to Transmission Provider or into an independent escrow account the portion of the invoice in dispute, pending resolution of such dispute. If any Affected System Interconnection Customer fails to meet these two requirements, then Transmission Provider may provide notice to such Affected System Interconnection Customer of a Default pursuant to Article 5. Within thirty (30) Calendar Days after the resolution of the dispute, the Party that owes money to another Party shall pay the amount due, with interest calculated in accordance with the methodology set forth in 18 CFR 35.19a(a)(2)(iii).

## **ARTICLE 5** **BREACH, CURE, AND DEFAULT**

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

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

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

**5.3 Notice of Breach, Cure, and Default.** Upon the occurrence of an event of Breach, any Party aggrieved by the Breach, when it becomes aware of the Breach, shall give written notice of the

Breach to the Breaching Party and to any other person representing a Party to this Agreement identified in writing to the other Party in advance. Such notice shall set forth, in reasonable detail, the nature of the Breach, and where known and applicable, the steps necessary to cure such Breach.

5.32.1 Upon receiving written notice of the Breach hereunder, the Breaching Party shall have a period to cure such Breach (hereinafter referred to as the "Cure Period") which shall be sixty (60) Calendar Days. If an Affected System Interconnection Customer is the Breaching Party and the Breach results from a failure to provide payments or security under Article 4.1 of this Agreement, the other Affected System Interconnection Customers, either individually or in concert, may cure the Breach by paying the amounts owed or by providing adequate security, without waiver of contribution rights against the breaching Affected System Interconnection Customer. Such cure for the Breach of an Affected System Interconnection Customer is subject to the reasonable consent of Transmission Provider. Transmission Provider may also cure such Breach by funding the proportionate share of the Affected System Network Upgrade costs related to the Breach of Affected System Interconnection Customer. Transmission Provider must notify all Parties that it will exercise this option within thirty (30) Calendar Days of notification that an Affected System Interconnection Customer has failed to provide payments or security under Article 4.1.

5.2.2 In the event the Breach is not cured within the Cure Period, the Breaching Party will be in Default of this Agreement, and the non-Defaulting Parties may (1) act in concert to amend the Agreement to remove an Affected System Interconnection Customer that is in Default from this Agreement for cause and to make other changes as necessary, or (2) either in concert or individually take whatever action at law or in equity as may appear necessary or desirable to enforce the performance or observance of any rights, remedies, obligations, agreement, or covenants under this Agreement.

5.3 Rights in the Event of Default. Notwithstanding the foregoing, upon the occurrence of Default, the non-Defaulting Parties shall be entitled to exercise all rights and remedies it may have in equity or at law.

## ARTICLE 6 TERMINATION OF AGREEMENT

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

6.2 Termination and Removal. ~~Subject to the limitations set forth in Article 6.3, in the event of a Default, termination of this Agreement, as to a given Affected System Interconnection Customer or in its entirety, shall require a filing at FERC of a notice of termination, which filing must be accepted for filing by FERC. RESERVED.~~

6.3 Disposition of Facilities Upon Termination of Agreement.

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

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

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

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

**6.4 Survival of Rights.** Termination or expiration of this Agreement shall not relieve any Party of any of its liabilities and obligations arising hereunder prior to the date termination becomes effective, and each Party may take whatever judicial or administrative actions as appear necessary or desirable to enforce its rights hereunder. The applicable provisions of this Agreement will continue in effect after expiration, or early termination hereof, to the extent

necessary to provide for (1) final billings, billing adjustments, and other billing procedures set forth in this Agreement; (2) the determination and enforcement of liability and indemnification obligations arising from acts or events that occurred while this Agreement was in effect; and (3) the confidentiality provisions set forth in Article 8.

## **ARTICLE 7** **SUBCONTRACTORS**

**7.1 Subcontractors.** Nothing in this Agreement shall prevent a Party from utilizing the services of subcontractors, as it deems appropriate, to perform its obligations under this Agreement; provided, however, that each Party shall require its subcontractors to comply with all applicable terms and conditions of this Agreement in providing such services, and each Party shall remain primarily liable to the other Parties for the performance of such subcontractor.

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

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

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

## **ARTICLE 8** **CONFIDENTIALITY**

**8.1 Confidentiality.** Confidential Information shall include, without limitation, all information relating to a Party's technology, research and development, business affairs, and pricing, and any information supplied to the other Parties prior to the execution of this Agreement.

Information is Confidential Information only if it is clearly designated or marked in writing as confidential on the face of the document, or, if the information is conveyed orally or by inspection, if the Party providing the information orally informs the Party receiving the information that the information is confidential. The Parties shall maintain as confidential any information that is provided and identified by a Party as Critical Energy Infrastructure Information (CEII), as that term is defined in 18 CFR 388.113(c).

Such confidentiality will be maintained in accordance with this Article 8. If requested by the receiving Party, the disclosing Party shall provide in writing, the basis for asserting that the

information referred to in this Article warrants confidential treatment, and the requesting Party may disclose such writing to the appropriate Governmental Authority. Each Party shall be responsible for the costs associated with affording confidential treatment to its information.

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

**8.1.2 Scope.** Confidential Information shall not include information that the receiving Party can demonstrate: (1) is generally available to the public other than as a result of a disclosure by the receiving Party; (2) was in the lawful possession of the receiving Party on a non-confidential basis before receiving it from the disclosing Party; (3) was supplied to the receiving Party without restriction by a non-Party, who, to the knowledge of the receiving Party after due inquiry, was under no obligation to the disclosing Party to keep such information confidential; (4) was independently developed by the receiving Party without reference to Confidential Information of the disclosing Party; (5) is, or becomes, publicly known, through no wrongful act or omission of the receiving Party or Breach of this Agreement; or (6) is required, in accordance with Article 8.1.6 of this Agreement, to be disclosed by any Governmental Authority or is otherwise required to be disclosed by law or subpoena, or is necessary in any legal proceeding establishing rights and obligations under this Agreement. Information designated as Confidential Information will no longer be deemed confidential if the Party that designated the information as confidential notifies the receiving Party that it no longer is confidential.

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

**8.1.4 Rights.** Each Party shall retain all rights, title, and interest in the Confidential Information that it discloses to the receiving Party. The disclosure by a Party to the receiving Party of Confidential Information shall not be deemed a waiver by the disclosing Party or any other person or entity of the right to protect the

Confidential Information from public disclosure.

- 
- 8.1.5 Standard of Care.** Each Party shall use at least the same standard of care to protect Confidential Information it receives as it uses to protect its own Confidential Information from unauthorized disclosure, publication, or dissemination. Each Party may use Confidential Information solely to fulfill its obligations to the other Party under this Agreement or its regulatory requirements.
- 
- 8.1.6 Order of Disclosure.** If a court or a Government Authority or entity with the right, power, and apparent authority to do so requests or requires any Party, by subpoena, oral deposition, interrogatories, requests for production of documents, administrative order, or otherwise, to disclose Confidential Information, that Party shall provide the disclosing Party with prompt notice of such request(s) or requirement(s) so that the disclosing Party may seek an appropriate protective order or waive compliance with the terms of this Agreement. Notwithstanding the absence of a protective order or waiver, the Party may disclose such Confidential Information which, in the opinion of its counsel, the Party is legally compelled to disclose. Each Party will use Reasonable Efforts to obtain reliable assurance that confidential treatment will be accorded any Confidential Information so furnished.
- 
- 8.1.7 Termination of Agreement.** Upon termination of this Agreement for any reason, each Party shall, within ten (10) Business Days of receipt of a written request from the other Party, use Reasonable Efforts to destroy, erase, or delete (with such destruction, erasure, and deletion certified in writing to the requesting Party) or return to the requesting Party any and all written or electronic Confidential Information received from the requesting Party, except that each Party may keep one copy for archival purposes, provided that the obligation to treat it as Confidential Information in accordance with this Article 8 shall survive such termination.
- 
- 8.1.8 Remedies.** The Parties agree that monetary damages would be inadequate to compensate a Party for another Party's Breach of its obligations under this Article 8. Each Party accordingly agrees that the disclosing Party shall be entitled to equitable relief, by way of injunction or otherwise, if the receiving Party Breaches or threatens to Breach its obligations under this Article 8, which equitable relief shall be granted without bond or proof of damages, and the Breaching Party shall not plead in defense that there would be an adequate remedy at law. Such remedy shall not be deemed an exclusive remedy for the Breach of this Article 8, but it shall be in addition to all other remedies available at law or in equity. The Parties further acknowledge and agree that the covenants contained herein are necessary for the protection of legitimate business interests and are reasonable in scope. No Party, however, shall be liable for indirect, incidental, or consequential or punitive damages of any nature or kind resulting

from or arising in connection with this Article 8.

**8.1.9 Disclosure to FERC, its Staff, or a State Regulatory Body.** Notwithstanding anything in this Article 8 to the contrary, and pursuant to 18 CFR 1b.20, if FERC or its staff, during the course of an investigation or otherwise, requests information from a Party that is otherwise required to be maintained in confidence pursuant to this Agreement, the Party shall provide the requested information to FERC or its staff, within the time provided for in the request for information. In providing the information to FERC or its staff, the Party must, consistent with 18 CFR 388.112, request that the information be treated as confidential and non-public by FERC and its staff and that the information be withheld from public disclosure. Parties are prohibited from notifying the other Parties to this Agreement prior to the release of the Confidential Information to FERC or its staff. The Party shall notify the other Parties to the Agreement when it is notified by FERC or its staff that a request to release Confidential Information has been received by FERC, at which time either of the Parties may respond before such information would be made public, pursuant to 18 CFR 388.112. Requests from a state regulatory body conducting a confidential investigation shall be treated in a similar manner if consistent with the applicable state rules and regulations.

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

## **ARTICLE 9**

### **INFORMATION ACCESS AND AUDIT RIGHTS**

**9.1 Information Access.** Each Party shall make available to the other Parties information necessary to verify the costs incurred by the other Parties for which the requesting Party is responsible

under this Agreement and carry out obligations and responsibilities under this Agreement, provided that the Parties shall not use such information for purposes other than those set forth in this Article 9.1 and to enforce their rights under this Agreement.

**9.2 Audit Rights.** Subject to the requirements of confidentiality under Article 8 of this Agreement, the accounts and records related to the design, engineering, procurement, and construction of the Affected System Network Upgrade(s) shall be subject to audit during the period of this Agreement and for a period of twenty-four (24) months following Transmission Provider's issuance of a final invoice in accordance with Article 4.4. Affected System Interconnection Customers may, jointly or individually, at the expense of the requesting Party(ies), during normal business hours, and upon prior reasonable notice to Transmission Provider, audit such accounts and records. Any audit authorized by this Article 9.2 shall be performed at the offices where such accounts and records are maintained and shall be limited to those portions of such accounts and records that relate to obligations under this Agreement.

**ARTICLE 10**  
**NOTICES**

**10.1 General.** Any notice, demand, or request required or permitted to be given by a Party to the other Parties, and any instrument required or permitted to be tendered or delivered by a Party in writing to another Party, may be so given, tendered, or delivered, as the case may be, by depositing the same with the United States Postal Service with postage prepaid, for transmission by certified or registered mail, addressed to the Parties, or personally delivered to the Parties, at the address set out below:

To Transmission Provider:

To Affected System Interconnection Customers:

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

**10.3 Alternative Forms of Notice.** Any notice or request required or permitted to be given by a Party to the other Parties and not required by this Agreement to be given in writing may be so given by telephone, facsimile, or email to the telephone numbers and email addresses set out below:

To Transmission Provider:

To Affected System Interconnection Customers:

**10.4 Execution and Filing.** Affected System Interconnection Customers shall either: (i) execute ~~two~~ one electronic originals of this tendered Agreement and return them to Transmission Provider; or (ii) ~~request in writing that Transmission Provider file~~ proceed with FERC this Agreement in unexecuted form Dispute Resolution procedures outline in Section 13.5 of Transmission Provider's LGIP. ~~As soon as practicable, but not later than ten (10) Business Days after receiving either the two executed originals of this tendered Agreement (if it does not conform with a FERC approved standard form of this Agreement) or the request to file this Agreement unexecuted, Transmission Provider shall file this Agreement with FERC, together with its explanation of any matters as to which Affected System Interconnection Customers and Transmission Provider disagree and support for the costs that Transmission Provider proposes to charge to Affected System Interconnection Customers under this Agreement. An unexecuted version of this Agreement should contain terms and conditions deemed appropriate by Transmission Provider for the Affected System Interconnection Customers' generating facilities. If the Parties agree to proceed with design, procurement, and construction of facilities and upgrades under the agreed-upon terms of the unexecuted version of this Agreement, they may proceed pending FERC action~~ Dispute Resolution.

#### **ARTICLE 11** **MISCELLANEOUS**

~~11.1 This Agreement shall include standard miscellaneous terms including, but not limited to, indemnities, representations, disclaimers, warranties, governing law, amendment, execution, waiver, enforceability, and assignment, which 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 this LGIP.~~

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

11.2 Rules of Interpretation. This Agreement, unless a clear contrary intention appears, shall be construed and interpreted as follows: (1) the singular number includes the plural number and vice versa; (2) reference to any person includes such person's successors and assigns but, in the case of a Party, only if such successors and assigns are permitted by this Agreement, and reference to a person in a particular capacity excludes such person in any other capacity or individually; (3) reference to any agreement (including this Agreement), document, instrument or tariff means such agreement, document, instrument, or tariff as amended or modified and in effect from time to time in accordance with the terms thereof and, if applicable, the terms hereof; (4) reference to any Applicable Laws and Regulations means such Applicable Laws and Regulations as amended, modified, codified, or reenacted, in whole or in part, and in effect from time to time, including, if applicable, rules and regulations promulgated thereunder; (5) unless expressly stated otherwise, reference to any Article, Section or Appendix means such Article of this Agreement or such Appendix to this Agreement, or such Section to the LGIP or such

Appendix to the LGIP, as the case may be; (6) "hereunder", "hereof", "herein", "hereto" and words of similar import shall be deemed references to this Agreement as a whole and not to any particular Article or other provision hereof or thereof; (7) "including" (and with correlative meaning "include") means including without limiting the generality of any description preceding such term; and (8) relative to the determination of any period of time, "from" means "from and including", "to" means "to but excluding" and "through" means "through and including".

11.3 Entire Agreement. This Agreement including all Appendices and Schedules attached hereto contain the entire agreement among the Parties and constitutes the complete, final and exclusive embodiment of their agreement with respect to the subject matter hereof, and may only be modified by a writing signed by either all of the Parties hereto or signed on behalf of the Parties.

11.4 No Third Party Beneficiary. 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.

11.5 Waivers. Any waiver, which such waiver must be in writing, at any time by any Party of its rights with respect to a default under this Agreement, or with respect to any other matter arising in connection with said Agreement, shall not be deemed a waiver with respect to any subsequent default or other matter arising in connection therewith. The failure of a Party to this Agreement to insist, on any occasion, upon strict performance of any provision of this Agreement will not be considered a waiver of any obligation, right, or duty of, or imposed upon, such Party. Any delay, short of the statutory period of limitation in asserting or enforcing any right, shall not be deemed a waiver of such right.

11.6 Headings. The descriptive headings of the various Articles of this Agreement have been inserted for convenience of reference only and are of no significance in the interpretation or construction of this Agreement.

11.7 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.

11.8 Severability. If any provision or obligation under this Agreement shall be determined by a court or competent jurisdiction to be invalid, illegal or unenforceable, that provision shall be deemed severed from this Agreement and the validity, legality and enforceability of the remaining provisions or obligations shall remain in full force as though the invalid, illegal, or unenforceable provision had never been a part of this Agreement.

- 11.9 Governing Law and Venue. This Agreement shall be interpreted and enforced in accordance with the substantive and procedural laws of the State of California. All actions or proceedings arising in connection with this Agreement shall be tried and litigated exclusively in State court located in Sacramento County, California and/or Federal court located in Sacramento County, California. The aforementioned choice of venue is mandatory, thereby precluding the possibility of litigation between the Parties with respect to or arising out of this Agreement in any jurisdiction other than that specified in this section. Each Party hereby waives any right it may have to assert the doctrine of forum non conveniens or a similar doctrine or to object to venue with respect to any proceeding brought in accordance with this section, and stipulates that the State court located in Sacramento County, California, and/or Federal court located in Sacramento County, California, shall have in personam jurisdiction and venue over each of them for the purpose of litigating any dispute or proceeding arising out of or related to this Agreement. Each Party hereby authorizes service of process sufficient for personal jurisdiction in any action against it at the address and in the manner for the giving of notice as set forth in this Agreement.
- 11.10 Indemnification. The Affected System Interconnection Customer shall at all times indemnify, defend, and save the Transmission Provider harmless from, any and all damages, losses, claims, including claims and actions relating to injury to or death of any person or damage to property, demands, suits, recoveries, costs and expenses, court costs, attorney fees, and all other obligations by or to third parties, arising out of or resulting from the Transmission Provider's performance of its obligations under this Tariff on behalf of the Affected System Interconnection Customer, except in cases of gross negligence or intentional wrongdoing by the Transmission Provider.
- 11.11 No Warranty. This Agreement shall not be construed as confirming or endorsing the design, or as any warranty of safety, durability, reliability, or suitability of Interconnection Customer's Generating Facility or installation thereof for any use, including the use intended by Interconnection Customer.
- 11.12 Uncontrollable Forces. Transmission Provider shall not be considered to be in Default of the provisions of this Agreement if delays in or failure of performance shall be due to uncontrollable forces, the effect of which, by the exercise of Reasonable Efforts, Transmission Provider could not avoid. The term uncontrollable forces as it pertains to this section shall mean any event which results in the prevention or delay of performance by Transmission Provider of its obligations under this Agreement and which is beyond the control of Transmission Provider. The term uncontrollable forces includes, but is not limited to, fire, acts of God, flood, earthquakes, storms, lightning, epidemic, war, riot, civil disturbance, sabotage, inability to procure permits, licenses, or authorizations from any state, local, or federal agency, or person for any of the supplies, materials, accesses, or services required to be provided by Transmission Provider under this Agreement, strikes, work slowdowns, or other labor disturbances, and judicial constraint. The provisions of this section shall not be interpreted or construed to require Transmission Provider to prevent, settle, or otherwise avoid a strike, work slowdown, or other labor action. Transmission Provider shall give timely written notice to Affected System Interconnection Customer describing the circumstances of uncontrollable forces which prevent the fulfillment of obligation of this Agreement. Transmission Provider shall give timely written notice to Affected System Interconnection Customer that the uncontrollable forces which prevented the fulfillment

of obligations of this Agreement are no longer present and work has resumed on those obligations.

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

11.13.1 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 Agreement and carry out the transactions contemplated hereby and perform and carry out all covenants and obligations on its part to be performed under and pursuant to this Agreement.

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

11.13.3 No Conflict. The execution, delivery, and performance of this Agreement does not violate or conflict with the organizational or formation documents, or bylaws or operating agreement, of such Party, or any judgment, license, permit, order, material agreement, or instrument applicable to or binding upon such Party or any of its assets.

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

All notices, requests, demands, and other communications required or permitted under this Agreement shall be in writing, unless otherwise agreed by the Parties, and shall be delivered in person or sent by certified mail, postage prepaid, by overnight delivery, or by electronic mail properly addressed as follows:

When delivered to Transmission Provider:

[INSERT]

When delivered to Interconnection Customers:

[INSERT]

11.13 Multiple Counterparts. This Agreement may be executed in two (2) or more counterparts, each of which is deemed an original but all constitute one and the same instrument.

-  
{Signature Page to Follow}

IN WITNESS WHEREOF, the Parties have executed this Agreement in multiple originals, each of which shall constitute and be an original Agreement among the Parties.

-  
Transmission Provider  
**{Transmission Provider}**

By: \_\_\_\_\_

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

Title: \_\_\_\_\_

-  
-  
-Affected System Interconnection Customer  
**{Affected System Interconnection Customer}**

By: \_\_\_\_\_

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

Title: \_\_\_\_\_

Project No. \_\_\_\_\_

Affected System Interconnection Customer  
**{Affected System Interconnection Customer}**

By: \_\_\_\_\_

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

Title: \_\_\_\_\_

-  
Project No. \_\_\_\_\_

~~Attachment~~ **Appendix A to Appendix 102**  
**Multiparty Affected System Facilities Construction Agreement**

**AFFECTED SYSTEM NETWORK UPGRADE(S), COST ESTIMATES AND RESPONSIBILITY,**  
**CONSTRUCTION SCHEDULE, AND MONTHLY PAYMENT SCHEDULE**

-  
This Appendix A is a part of the Multiparty Affected System Facilities Construction Agreement  
~~between~~ among Affected System Interconnection Customers and Transmission Provider.

1.1 Affected System Network Upgrade(s) to be installed by Transmission Provider.

{description}

1.2 First Equipment Order (including permitting).

{description}

1.2.1. Permitting and Land Rights – Transmission Provider Affected System Network Upgrade(s)

{description}

1.3 Construction Schedule. Where applicable, construction of the Affected System Network Upgrade(s) is scheduled as follows and will be periodically updated as necessary:

**Table 13: Transmission Provider Construction Activities**

<u>MILESTONE NUMBER</u>	<u>DESCRIPTION</u>	<u>START -DATE</u>	<u>END DATE</u>
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-

Note: Construction schedule assumes that Transmission Provider has obtained final authorizations and security from Affected System Interconnection Customers and all necessary permits from Governmental Authorities as necessary prerequisites to commence construction of any of the Affected System Network Upgrade(s).

1.4 Payment Schedule.

1.4.1 Timing of and Adjustments to Affected System Interconnection Customers’ Payments and Security.

{description}

1.4.2 Monthly Payment Schedule. Affected System Interconnection Customers' payment schedule is as follows.

{description}

Table 24: Affected System Interconnection Customers' Payment/Security Obligations for Affected System Network Upgrade(s).

---

<u>MILESTONE NUMBER</u>	<u>DESCRIPTION</u>	<u>DATE</u>
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-

-  
-

---

---

\* Affected System Interconnection Customers' proportionate responsibility for each payment is as follows:

Affected System Interconnection Customer 1 . %

Affected System Interconnection Customer 2 . %

Affected System Interconnection Customer N . %

Note: Affected System Interconnection Customers' payment or provision of security as provided in this Agreement operates as a condition precedent to Transmission Provider's obligations to construct any Affected System Network Upgrade(s), and failure to meet this schedule will constitute a Breach pursuant to Article 5.1 of this Agreement.

-

1.5 Permits, Licenses, and Authorizations.

{description}

-

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~~Attachment~~Appendix B to Appendix 102  
Multiparty Affected System Facilities Construction Agreement

NOTIFICATION OF COMPLETED CONSTRUCTION

- This Appendix B is a part of the Multiparty Affected System Facilities Construction Agreement among Affected System Interconnection Customers and Transmission Provider. Where applicable, when Transmission Provider has completed construction of the Affected System Network Upgrade(s), Transmission Provider shall send notice to Affected System Interconnection Customers in substantially the form following:

- {Date}

- {Affected System Interconnection Customers Addresses}

- Re: Completion of Affected System Network Upgrade(s)

- Dear {Name or Title}:

- This letter is sent pursuant to the Multiparty Affected System Facilities Construction Agreement among {Transmission Provider} and {Affected System Interconnection Customers}, dated \_\_\_\_\_, 20\_\_.

- On {Date}, Transmission Provider completed to its satisfaction all work on the Affected System Network Upgrade(s) required to facilitate the safe and reliable interconnection and operation of Affected System Interconnection Customer's generating facilities. Transmission Provider confirms that the Affected System Network Upgrade(s) are in place.

- Thank you.

- {Signature}

{Transmission Provider Representative}

---

~~Attachment Appendix C to Appendix 102~~  
Multiparty Affected System Facilities Construction Agreement

EXHIBITS

This Appendix C is a part of the Multiparty Affected System Facilities Construction Agreement among Affected System Interconnection Customers and Transmission Provider.

-  
Exhibit A1  
Transmission Provider Site Map

-  
Exhibit A2  
Site Plan

-  
Exhibit A3  
Affected System Network Upgrade(s) Plan & Profile

-  
Exhibit A4  
Estimated Cost of Affected System Network Upgrade(s)

-	<u>Location</u>	<u>Facilities to Be Constructed by Transmission Provider</u>	<u>Estimate in Dollars</u>
-	-	-	-
-	-	<u>Total:</u>	-

**TAB 23**

**MEETING CALENDAR**

The TANC Commission will confirm the date of its next scheduled meeting is October 22, 2025.