

**ATTACHMENT N - Large Generation Interconnection Procedures (“LGIP”) And Large
Generator Interconnection Agreement (“LGIA”)**

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Section 1. Definitions

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

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

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

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

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

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

Applicable Reliability Council shall mean the reliability council applicable to the Transmission System to which the Generating Facility is directly interconnected.

Applicable Reliability Standards shall mean the requirements and guidelines of NERC, the Applicable Reliability Council, and the Control Area of the Transmission System to which the Generating Facility is directly interconnected.

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

Breach shall mean the failure of a Party to perform or observe any material term or condition of the Standard Large Generator Interconnection Agreement.

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

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

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

Clustering shall mean the process whereby a group of Interconnection Requests is studied

together, instead of serially, for the purpose of conducting the Interconnection Studies.

Commercial Operation shall mean the status of a Generating Facility that has commenced generating electricity for sale, excluding electricity generated during Trial Operation.

Commercial Operation Date of a unit shall mean the date on which the Generating Facility commences Commercial Operation as agreed to by the Parties pursuant to Appendix E to the Standard Large Generator Interconnection Agreement.

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

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

Control Area shall mean an electrical system or systems bounded by interconnection metering and telemetry, capable of controlling generation to maintain its interchange schedule with other Control Areas and contributing to frequency regulation of the interconnection. A Control Area must be certified by an Applicable Reliability Council.

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

Definitive Interconnection System Impact Study ("DISIS") shall mean an engineering study that evaluates the impact of the proposed interconnection on the safety and reliability of the 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 Adverse System Impacts identified in a Preliminary Interconnection System Impact Study or that may be caused by the withdrawal or addition of an Interconnection Request, 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.

Definitive 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 Definitive Interconnection System Impact Study.

Definitive Interconnection System Impact Study Queue shall mean a Transmission Provider separately maintained queue for valid Interconnection Requests for a Definitive Interconnection System Impact Study.

Dispute Resolution shall mean the procedure for resolution of a dispute between the Parties in which they will first attempt to resolve the dispute on an informal basis.

Distribution System shall mean the Transmission Provider's facilities and equipment used to transmit electricity to ultimate usage points such as homes and industries directly from nearby generators or from interchanges with higher voltage transmission networks which transport bulk power over longer distances. The voltage levels at which distribution systems operate differ among areas.

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

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

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

Energy Resource Interconnection Service shall mean an Interconnection Service that allows the Interconnection Customer to connect its Generating Facility to the Transmission Provider's Transmission System to be eligible to deliver the Generating Facility's electric output using the existing firm or nonfirm capacity of the Transmission Provider's Transmission System on an as available basis. Energy Resource Interconnection Service in and of itself does not convey transmission service.

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

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

seq.

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

Force Majeure shall mean any act of God, labor disturbance, act of the public enemy, war, insurrection, riot, fire, storm or flood, explosion, breakage or accident to machinery or equipment, any order, regulation or restriction imposed by governmental, military or lawfully established civilian authorities, or any other cause beyond a Party’s control. A Force Majeure event does not include acts of negligence or intentional wrongdoing by the Party claiming Force Majeure.

Generating Facility shall mean Interconnection Customer’s device for the production and/or storage for later injection of electricity identified in the Interconnection Request, but shall not include the Interconnection Customer’s Interconnection Facilities.

Generating Facility Capacity shall mean the net capacity of the Generating Facility and the aggregate net capacity of the Generating Facility where it includes multiple energy production devices.

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

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

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

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

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

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

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

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

Interconnection Facilities Study shall mean a study conducted by the Transmission Provider or a third party consultant for the Interconnection Customer to determine a list of facilities (including Transmission Provider's Interconnection Facilities and Network Upgrades as identified in the Definitive 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 7 of the Standard Large Generator Interconnection Procedures.

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

Interconnection Request shall mean an Interconnection Customer's request, in the form of Appendix 1 to the Standard Large Generator Interconnection Procedures, in accordance with the Tariff, to interconnect a new Generating Facility, or to increase the capacity of, or make a Material Modification to the operating characteristics of, an existing Generating Facility that is interconnected with the Transmission Provider's Transmission System.

Interconnection Service shall mean the service provided by the Transmission Provider associated with interconnecting the Interconnection Customer's Generating Facility to the Transmission Provider's Transmission System and enabling it to receive electric energy and

capacity from the Generating Facility at the Point of Interconnection, pursuant to the terms of the Standard Large Generator Interconnection Agreement and, if applicable, the Transmission Provider's Tariff.

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

Interconnection Study Agreement shall mean any of the following agreements: the Preliminary Interconnection System Impact Study Agreement, the Definitive Interconnection System Impact Study Agreement, or the Interconnection Facilities Study Agreement described in the Standard Large Generator Interconnection Procedures.

IRS shall mean the Internal Revenue Service.

Joint Operating Committee shall be a group made up of representatives from Interconnection Customers and the Transmission Provider to coordinate operating and technical considerations of Interconnection Service.

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

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

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

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

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

Network Resource shall mean any designated generating resource owned, purchased, or leased by a Network Customer under the Network Integration Transmission Service Tariff. Network Resources do not include any resource, or any portion thereof, that is committed for sale to third parties or otherwise cannot be called upon to meet the Network Customer's Network Load

on a non-interruptible basis.

Network Resource Interconnection Service shall mean an Interconnection Service that allows the Interconnection Customer to integrate its Large Generating Facility with the Transmission Provider's Transmission System (1) in a manner comparable to that in which the Transmission Provider integrates its generating facilities to serve native load customers; or (2) in an RTO or ISO with market based congestion management, in the same manner as Network Resources. Network Resource Interconnection Service in and of itself does not convey transmission service.

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

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

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

Permissible Technological Advancement shall mean modification to turbines, inverters, plant supervisory controls or other technological advancements that do not have a material impact on the cost or timing of any Interconnection Request with a later queue priority date. A Permissible Technological Advancement results in electrical performance that is equal to or better than the electrical performance expected prior to the technology change and does not cause any reliability concerns or 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 does not include changes in generation technology type or fuel type.

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.

Preliminary Interconnection System Impact Study ("PISIS") shall mean an engineering study that evaluates the impact of the proposed interconnection on the safety and reliability of the 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 Adverse System Impacts that may be caused by the withdrawal or addition of an Interconnection Request, 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.

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

Preliminary Interconnection System Impact Study Queue shall mean a Transmission Provider separately maintained queue for valid Interconnection Requests for a Preliminary Interconnection System Impact Study.

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 shall mean the Preliminary Interconnection System Impact Study Queue or the Definitive Interconnection System Impact Study Queue, as applicable.

Queue Position shall mean the order of a valid Interconnection Request within the Preliminary Interconnection System Impact Study Queue, relative to all other pending valid Interconnection Requests within the Preliminary Interconnection System Impact Study Queue, or the order of a valid Interconnection Request within the Definitive Interconnection System Impact Study Queue, relative to all other pending valid Interconnection Requests within the Definitive Interconnection System Impact Study Queue, as applicable that is established based upon the date and time of receipt of the valid Interconnection Request and the date and time of receipt of other information specified under Section 4.1 of this LGIP, as applicable, 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.

Revised LGIP shall mean the effective date of the LGIP as revised in Docket No. ER11-3522-000 and ER11-3522-001 and accepted by the Commission on September 30, 2011["Final Order"].

Scoping Meeting shall mean the meeting between representatives of the Interconnection Customer and Transmission Provider conducted for the purpose of discussing alternative

interconnection options, to exchange information including any transmission data and earlier study evaluations that would be reasonably expected to impact such interconnection options, to analyze such information, and to determine the potential feasible Points of Interconnection.

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

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

Stand Alone Network Upgrades shall mean Network Upgrades that are not part of an Affected System that an Interconnection Customer may construct without affecting day-to-day operations of the Transmission System during their construction. Both the Transmission Provider and the Interconnection Customer must agree as to what constitutes Stand Alone Network Upgrades and identify them in Appendix A to the Standard Large Generator Interconnection Agreement. If the Transmission Provider and Interconnection Customer disagree about whether a particular Network Upgrade is a Stand Alone Network Upgrade, the Transmission Provider must provide the Interconnection Customer a written technical explanation outlining why the Transmission Provider does not consider the Network Upgrade to be a Stand Alone Network Upgrade within 15 days of its determination.

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

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

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

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

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

Transmission Owner shall mean an entity that owns, leases or otherwise possesses an interest in the portion of the Transmission System at the Point of Interconnection and may be a Party to the Standard Large Generator Interconnection Agreement to the extent necessary.

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

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

Transmission System shall mean the facilities owned, controlled or operated by the Transmission Provider or Transmission Owner that are used to provide transmission service under the Tariff.

Trial Operation shall mean the period during which Interconnection Customer is engaged in on-site test operations and commissioning of the Generating Facility prior to Commercial Operation.

Section 2. Scope and Application

2.1 Application of Standard Large Generator Interconnection Procedures.

Sections 2 through 12 apply to processing an Interconnection Request pertaining to a Large Generating Facility.

2.2 Comparability.

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

2.3 Base Case Data.

Transmission Provider shall maintain base power flow, short circuit and stability

databases, including all underlying assumptions, and contingency list on either its OASIS site or a password protected website, subject to confidentiality provisions in LGIP Section 12.1. In addition Transmission Provider shall maintain network models and underlying assumptions that the Transmission Provider is using to perform Definitive Interconnection System Impact Studies on either its OASIS site or a password-protected website. Such network models and underlying assumptions should reasonably represent those used during the most recent interconnection study for which the Interconnection Customer has a valid Interconnection Request and be representative of current system conditions with assumed higher queued generation and transmission additions. If Transmission Provider posts this information on a password-protected website, a link to the information must be provided on Transmission Provider's OASIS site. Transmission Provider is permitted to require that Interconnection Customers, OASIS site users and password-protected website users sign a confidentiality agreement before the release of commercially sensitive information or Critical Energy Infrastructure Information in the Base Case data. Such databases and lists, hereinafter referred to as Base Cases, shall include all (1) generation projects and (2) transmission projects, including merchant transmission projects that are proposed for the Transmission System for which a transmission expansion plan has been submitted and approved by the applicable authority.

2.4 No Applicability to Transmission Service.

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

2.5 EIM Requirements. The Interconnection Customer shall have a continuing duty to comply with Attachment S of this Tariff, as applicable.

Section 3. Interconnection Requests

3.1 General.

An Interconnection Customer shall submit to Transmission Provider an Interconnection Request in the form of Appendix 1 to this LGIP and a deposit of:

- a. \$75,000 for requests of less than 50 MW, or
- b. \$150,000 for requests of 50 MW and greater, but less than 200 MW, or
- c. \$250,000 for requests of 200 MW and greater.

\$5,000 of the deposit shall be nonrefundable. The remainder shall be refundable pursuant to the terms outlined herein.

Transmission Provider shall apply the refundable portion of the deposit toward the cost of the applicable Interconnection Study. Interconnection Customer shall submit a separate Interconnection Request for each site and may submit multiple Interconnection Requests for a single site. Interconnection Customer must submit a deposit with each Interconnection Request even when more than one request is submitted for a single site. An Interconnection Request to evaluate one site at two

different voltage levels shall be treated as two Interconnection Requests.

At Interconnection Customer's option, Transmission Provider and Interconnection Customer will identify alternative Point(s) of Interconnection and configurations at the Scoping Meeting to evaluate in this process and attempt to eliminate alternatives in a reasonable fashion given resources and information available. Interconnection Customer will select the definitive Point(s) of Interconnection to be studied no later than the execution of the PISIS Agreement or DISIS Agreement. For purposes of clustering Interconnection Service requests, Transmission Provider may make reasonable changes to the requested Point(s) of Interconnection to facilitate efficient interconnection of Interconnection Customers at common points of interconnection. Transmission Provider will notify Interconnection Customers in writing of any intended changes to the requested Point(s) of Interconnection.

Interconnection Customer may request a level of 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 will be borne by the Interconnection Customer. Interconnection Customers may be subject to additional control technologies as well as testing and validation of those technologies consistent with Article 6 of the LGIA. The necessary control technologies and protection systems shall be established in Appendix C of the executed, or requested to be filed unexecuted, LGIA.

3.2 Identification of Types of Interconnection Services.

At the time the Interconnection Request is submitted, Interconnection Customer must request either Energy Resource Interconnection Service or Network Resource Interconnection Service, as described below. An Interconnection Customer may designate only one type of Interconnection Service for each separate Interconnection Service request in either the PISIS Queue or the DISIS Queue. The type of Interconnection Service must be finalized on submission of the appropriate executed System Impact Study Agreement and may not be changed after the start of the study process.

3.2.1 Energy Resource Interconnection Service.

3.2.1.1 The Product. Energy Resource Interconnection Service allows Interconnection Customer to connect the Large

Generating Facility to the Transmission System and be eligible to deliver the Large Generating Facility's output using the existing firm or non-firm capacity of the Transmission System on an "as available" basis. Energy Resource Interconnection Service does not in and of itself convey any right to deliver electricity to any specific customer or Point of Delivery.

3.2.1.2 The Study. The study consists of short circuit/fault duty, steady state (thermal and voltage) and stability analyses. The short circuit/fault duty analysis would identify direct Interconnection Facilities required and the Network Upgrades necessary to address short circuit issues associated with the Interconnection Facilities. The stability and steady state studies would identify necessary upgrades to allow full output of the proposed Large Generating Facility and would also identify the maximum allowed output, at the time the study is performed, of the interconnecting Large Generating Facility without requiring additional Network Upgrades.

3.2.2 Network Resource Interconnection Service.

3.2.2.1 The Product. Transmission Provider must conduct the necessary studies and construct the Network Upgrades needed to integrate the Large Generating Facility (1) in a manner comparable to that in which Transmission Provider integrates its generating facilities to serve native load customers; or (2) in an ISO or RTO with market based congestion management, in the same manner as Network Resources. Network Resource Interconnection Service Allows Interconnection Customer's Large Generating Facility to be designated as a Network Resource, up to the Large Generating Facility's full output, on the same basis as existing Network Resources interconnected to Transmission Provider's Transmission System, and to be studied as a Network Resource on the assumption that such a designation will occur. If a Large Generating Facility's full output has not been designated as a Network Resource within the Transmission Provider's Control Area, Interconnection Customer must provide the point of delivery at which the Interconnection Customer intends to deliver the output out of the Transmission Provider's Control Area.

3.2.2.2 The Study. The Interconnection Study for Network Resource Interconnection Service shall assure that Interconnection Customer's Large Generating Facility

meets the requirements for Network Resource Interconnection Service and as a general matter, that such Large Generating Facility's interconnection is also studied with Transmission Provider's Transmission System at peak load, under a variety of severely stressed conditions, to determine whether, with the Large Generating Facility at full output, the aggregate of generation in the local area can be delivered to the aggregate of load on Transmission Provider's Transmission System, consistent with Transmission Provider's reliability criteria and procedures. This approach assumes that some portion of existing Network Resources in the Transmission Provider's Control Area and, if necessary, the generating facilities of other Control Areas are displaced by the output of Interconnection Customer's Large Generating Facility. Network Resource Interconnection Service in and of itself does not convey any right to deliver electricity to any specific customer or Point of Delivery. The Transmission Provider may also study the Transmission System under non-peak load conditions. However, upon request by the Interconnection Customer, the Transmission Provider must explain in writing to the Interconnection Customer why the study of non-peak load conditions is required for reliability purposes.

3.3 Utilization of Surplus Interconnection Service.

Transmission Provider has established a process, with steps outlined in Section 3.3.2, that allows an Interconnection Customer to utilize or transfer Surplus Interconnection Service at an existing Point of Interconnection. The original Interconnection Customer or one of its affiliates shall have priority to utilize Surplus Interconnection Service. If the existing Interconnection Customer or one of its affiliates does not exercise its priority, then that service may be made available to other potential Interconnection Customers.

3.3.1 Surplus Interconnection Service Requests.

Surplus Interconnection Service requests may be made by the existing Interconnection Customer whose Generating Facility is already interconnected or one of its affiliates. Surplus Interconnection Service requests also may be made by another Interconnection Customer. Section 3.3.2 provides a process for evaluating Interconnection Requests for Surplus Interconnection Service. Studies for Surplus Interconnection Service shall consist of reactive power, short circuit/fault duty, stability analyses, and any other appropriate studies. Steady-state (thermal/voltage) analyses may be performed as necessary to ensure that all required reliability

conditions are studied. If the Surplus Interconnection Service was not studied under off-peak conditions, off-peak steady state analyses shall be performed to the required level necessary to demonstrate reliable operation of the Surplus Interconnection Service. If the original System Impact Study is not available for the Surplus Interconnection Service, both off-peak and peak analysis may need to be performed for the existing Generating Facility associated with the request for Surplus Interconnection Service. The reactive power, short circuit/fault duty, stability, and steady-state analyses for Surplus Interconnection Service will identify any additional Interconnection Facilities and/or Network Upgrades necessary.

3.3.2 Process for Evaluating Interconnection Request for Surplus Interconnection Service

The original Interconnection Customer can only make Surplus Interconnection Service available at its Point of Interconnection for any unused portion of Interconnection Service as established in the LGIA such that if the Surplus Interconnection Service is utilized the Interconnection Service limit at the Point of Interconnection would remain the same as in the LGIA. Transmission Provider shall work with the original Interconnection Customer and the Interconnection Customer requesting Surplus Interconnection Service (if different than the original Interconnection Customer) to evaluate that Surplus Interconnection Service request.

Transmission Provider may accept any third-party studies demonstrating no adverse impact to the Transmission Provider's Transmission System and may require its own or additional studies at its discretion. Transmission Provider will use available studies to the extent applicable. The Interconnection Customer requesting Surplus Interconnection Service shall execute a Surplus Interconnection Service Study Agreement to evaluate Surplus Interconnection Service and shall be responsible for the cost of such study. Transmission Provider shall study Surplus Interconnection Service outside of the interconnection queue and use Reasonable Efforts to complete the study for Surplus Interconnection Service within ninety (90) Calendar Days after execution of the Surplus Interconnection Service Study Agreement, receipt of related deposits and technical data required to perform the study.

After the Surplus Interconnection Service Study is completed, the Transmission Provider, original Interconnection Customer, and the Interconnection Customer requesting Surplus Interconnection Service (if different from the original Interconnection Customer) shall develop a Surplus Interconnection Service Agreement, and other related agreements

as necessary and file such agreements with the Commission. Such agreements shall, among other things, establish conditions such as the term of operation, the interconnection service limit, and the mode of operation for energy production (i.e., common or singular operation) and the roles and responsibilities of the parties for maintaining the operation of the facility within the parameters of the Surplus Interconnection Service Agreement.

Transmission Provider is not required to execute a Surplus Interconnection Service Agreement, and other related agreements, if such agreements do not comply with the Transmission Provider's tariff or if the Interconnection Customer does not agree to the terms of such service, including any requirements that may be identified by the Transmission Provider in the study for Surplus Interconnection Service. If the Interconnection Customer disputes an issue in the Surplus Interconnection Service Agreement, or other related agreements, Transmission Provider must file the unexecuted Surplus Interconnection Service Agreement with the Commission if requested by the Interconnection Customer.

3.4 Valid Interconnection Request.

3.4.1 Initiating an Interconnection Request.

To initiate an Interconnection Request, Interconnection Customer must submit all of the following:

- (i) A deposit of:
 - a. \$75,000 for requests of less than 50 MW, or
 - b. \$150,000 for requests of 50 MW or greater, but less than 200 MW, or
 - c. \$250,000 for requests of 200 MW and greater.

Deposits, net of \$5,000 which is nonrefundable, provided pursuant to this section shall be applied toward any Interconnection Studies pursuant to the Interconnection Request.

- (ii) A completed application in the form of Appendix 1, and
- (iii) A demonstration of Site Control; provided, however, demonstration of Site Control is not required for inclusion of an Interconnection Request in the PISIS Queue. Specifications for acceptable site size for the purpose of demonstrating Site Control are posted on the Transmission Provider's OASIS website (http://www.oatioasis.com/cwo_default.htm%20) Interconnection Customer may propose alternative specifications for site size for Transmission Provider approval.

The expected Commercial Operation Date of the new Large Generating

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

3.4.2 Acknowledgment of Interconnection Request.

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

3.4.3 Deficiencies in Interconnection Request.

An Interconnection Request will not be considered to be a valid request until all items in Section 3.4.1 have been received by Transmission Provider; provided however, that demonstration of Site Control is not required for inclusion of an Interconnection Request in the PISIS Queue.

If an Interconnection Request fails to meet the requirements set forth in Section 3.4.1, Transmission Provider shall notify Interconnection Customer within five (5) Business Days of receipt of the initial Interconnection Request of the reasons for such failure and that the Interconnection Request does not constitute a valid request. Interconnection Customer shall provide Transmission Provider the additional requested information needed to constitute a valid request within ten (10) Business Days after receipt of such notice. Failure by Interconnection Customer to comply with this Section 3.3.4.3 shall be treated in accordance with Section 3.7.

3.4.4 Scoping Meeting.

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

The purpose of the Scoping Meeting shall be to discuss alternative interconnection options, to exchange information including any transmission data that would reasonably be expected to impact such

interconnection options, to analyze such information and to determine the potential feasible Points of Interconnection. Transmission Provider and Interconnection Customer will bring to the meeting such technical data, including, but not limited to: (i) general facility loadings, (ii) general instability issues, (iii) general short circuit issues, (iv) general voltage issues, and (v) general reliability issues as may be reasonably required to accomplish the purpose of the meeting. Transmission Provider and Interconnection Customer will also bring to the meeting personnel and other resources as may be reasonably required to accomplish the purpose of the meeting in the time allocated for the meeting. On the basis of the meeting, Interconnection Customer shall designate its Point of Interconnection, pursuant to Section 6.1, and one or more available alternative Point(s) of Interconnection. The duration of the meeting shall be sufficient to accomplish its purpose.

3.5 OASIS Posting.

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

provided on Transmission Provider's OASIS site. For each calendar quarter, Transmission Provider must calculate and post the information detailed in sections 3.5.2.1 through 3.5.2.4.

3.5.2.1 Preliminary Interconnection System Impact Studies processing time.

(A) Number of Interconnection Requests that had Preliminary Interconnection System Impact Studies completed within Transmission Provider's coordinated region during the reporting quarter,

(B) Number of Interconnection Requests that had Preliminary Interconnection System Studies completed within Transmission Provider's coordinated region during the reporting quarter that were completed more than 150 Calendar Days after receipt by Transmission Provider of the Interconnection Customer's executed Preliminary Interconnection System Impact Study Agreement,

(C) At the end of the reporting quarter, the number of active valid Interconnection Requests with ongoing incomplete Preliminary Interconnection System Impact Studies where such Interconnection Requests had executed Preliminary Interconnection System Impact Study Agreements received by Transmission Provider more than 150 Calendar Days before the reporting quarter end,

(D) Mean time (in days), Preliminary Interconnection System Impact Studies completed within Transmission Provider's coordinated region during the reporting quarter, from the date when Transmission Provider received the executed Preliminary Interconnection System Impact Study Agreement to the date when Transmission Provider provided the completed Preliminary Interconnection System Impact Study to the Interconnection Customer,

(E) Percentage of Preliminary Interconnection System Impact Studies exceeding 150 Calendar Days to complete this reporting quarter, calculated as the sum of 3.5.2.1(B) plus 3.5.2.1(C) divided by the sum of 3.5.2.1(A) plus 3.5.2.1(C)).

3.5.2.2 Definitive Interconnection System Impact Studies Processing Time.

(A) Number of Interconnection Requests that had Definitive Interconnection System Impact Studies completed within

Transmission Provider's coordinated region during the reporting quarter,

(B) Number of Interconnection Requests that had Definitive Interconnection System Impact Studies completed within Transmission Provider's coordinated region during the reporting quarter that were completed more than 150 Calendar Days after receipt by Transmission Provider of the Interconnection Customer's executed Definitive Interconnection System Impact Study Agreement,

(C) At the end of the reporting quarter, the number of active valid Interconnection Requests with ongoing incomplete Definitive Interconnection System Impact Studies where such Interconnection Requests had executed Definitive Interconnection System Impact Study Agreements received by Transmission Provider more than 150 Calendar Days before the reporting quarter end,

(D) Mean time (in days), Definitive Interconnection System Impact Studies completed within Transmission Provider's coordinated region during the reporting quarter, from the date when Transmission Provider received the executed Definitive Interconnection System Impact Study Agreement to the date when Transmission Provider provided the completed Definitive Interconnection System Impact Study to the Interconnection Customer,

(E) Percentage of Definitive Interconnection System Impact Studies exceeding 150 Calendar Days to complete this reporting quarter, calculated as the sum of 3.5.2.2(B) plus 3.5.2.2(C) divided by the sum of 3.5.2.2(A) plus 3.5.2.2(C)).

3.5.2.3

Interconnection Facilities Studies Processing Time.

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

(B) Number of Interconnection Requests that had Interconnection Facilities Studies that are completed within Transmission Provider's coordinated region during the reporting quarter that were completed more than 150 Calendar Days after receipt by Transmission Provider of the Interconnection Customer's executed Interconnection Facilities Study Agreement,

(C) At the end of the reporting quarter, the number of active valid Interconnection Service requests with ongoing incomplete Interconnection Facilities Studies where such Interconnection Requests had executed Interconnection Facilities Studies Agreement received by Transmission Provider more than 150 Calendar Days before the reporting quarter end,

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

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

3.5.2.4

Interconnection Service Requests withdrawn from Interconnection Queue.

(A) Number of Interconnection Requests withdrawn from Transmission Provider's interconnection queue during the reporting quarter,

(B) Number of Interconnection Requests withdrawn from Transmission Provider's interconnection queue during the reporting quarter before completion of any interconnection studies or execution of any interconnection study agreements,

(C) Number of Interconnection Requests withdrawn from Transmission Provider's interconnection queue during the reporting quarter before completion of an Interconnection System Impact Study,

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

(E) Number of Interconnection Requests withdrawn from

Transmission Provider's interconnection queue after execution of a generator interconnection agreement or Interconnection Customer requests the filing of an unexecuted, new interconnection agreement,

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

3.5.3 Transmission Provider is required to post on OASIS or its website the measures in paragraph 3.5.2.1(A) through paragraph 3.5.2.4(F) for each calendar quarter within 30 days of the end of the calendar quarter. Transmission Provider will keep the quarterly measures posted on OASIS or its website for three calendar years with the first required reporting year to be 2020. If Transmission Provider retains this information on its website, a link to the information must be provided on Transmission Provider's OASIS site.

3.5.4 In the event that any of the values calculated in paragraphs 3.5.2.1(E), 3.5.2.2(E) or 3.5.2.3(E) exceeds 25 percent for two consecutive calendar quarters, Transmission Provider will have to comply with the measures below for the next four consecutive calendar quarters and must continue reporting this information until Transmission Provider reports four consecutive calendar quarters without the values calculated in 3.5.2.1(E), 3.5.2.2(E) or 3.5.2.3(E) exceeding 25 percent for two consecutive calendar quarters:

(i) Transmission Provider must submit a report to the Commission describing the reason for each study or group of clustered studies pursuant to an Interconnection Request that exceeded its deadline (i.e., 45, 90 or 180 days) for completion (excluding any allowance for Reasonable Efforts). Transmission Provider must describe the reasons for each study delay and any steps taken to remedy these specific issues and, if applicable, prevent such delays in the future. The report must be filed at the Commission within 45 days of the end of the calendar quarter.

(ii) Transmission Provider shall aggregate the total number of employee-hours and third party consultant hours expended towards interconnection studies within its coordinated region that quarter and post on OASIS or its website. If Transmission Provider posts this information

on its website, a link to the information must be provided on Transmission Provider's OASIS site. This information is to be posted within 30 days of the end of the calendar quarter.

3.6 Coordination with Affected Systems.

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

3.7 Withdrawal.

Interconnection Customer may withdraw its Interconnection Request at any time by written notice of such withdrawal to Transmission Provider unless the Interconnection Customer has executed a Definitive Interconnection System Impact Study Agreement. In addition, if Interconnection Customer fails to adhere to all requirements of this LGIP, except as provided in Section 12.5 (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 cure the deficiency or to notify Transmission Provider of its intent to pursue Dispute Resolution.

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

Transmission Provider shall (i) update the OASIS Queue Position posting and (ii)

refund to Interconnection Customer any of the refundable portion of Interconnection Customer's deposit or study payments that exceeds the costs that Transmission Provider has incurred, including interest calculated in accordance with section 35.19a(a)(2) of FERC's regulations. In the event of such withdrawal, Transmission Provider, subject to the confidentiality provisions of Section 12.1, shall provide, at Interconnection Customer's request, all information that Transmission Provider developed for any completed study conducted up to the date of withdrawal of the Interconnection Request.

3.8 Identification of Contingent Facilities.

Transmission Provider will provide a list of Contingent Facilities to the Interconnection Customer upon completion of either the Preliminary or Definitive Interconnection System Impact Study. The Contingent Facilities will be identified in a Preliminary or Definitive Interconnection System Impact Study Report and in any subsequent Re-Studies as well as in the Interconnection Facilities Study Report and in the Large Generator Interconnection Agreement. The Transmission Provider will provide, upon the Interconnection Customer's request, the estimated unbuilt Interconnection Facilities and/or Network Upgrade costs and estimated in-service completion schedules for any identified Contingent Facilities when such information is readily available and not commercially sensitive.

3.8.1 Method for Identifying Contingent Facilities

The following steps, outlined below, are to be taken by the Transmission Provider to identify and list the Contingent Facilities, if any, upon which the Interconnection Customer's costs, timing, and study findings are dependent, and if delayed or not built, could cause a need for restudies of the Interconnection Request or a reassessment of the Interconnection Facilities and/or Network Upgrades and/or costs and timing. Such a list is to be provided to the Interconnection Customer at the conclusion of the Preliminary or Definitive Interconnection System Impact Study performed pursuant to the requirements of Section 6.3 or 7.3 of this LGIP.

Step 1: In preparation for performing an Interconnection Customer's Preliminary or Definitive Interconnection System Impact Study, the Transmission Provider is to review any applicable Interconnection Studies associated with generating facilities that have a higher queued Interconnection Request, to determine whether any of those Interconnection Request(s) have unbuilt Interconnection Facilities and/or Network Upgrades that may be necessary to provide the Interconnection Customer's Interconnection Request.

Step 2: To the extent any unbuilt Interconnection Facilities and/or

Network Upgrades associated with higher queued Interconnection Requests are identified as potentially necessary to accommodate the Interconnection Customer's Interconnection Request, the Transmission Provider will identify such unbuilt Interconnection Facilities and/or Network Upgrades as potential Contingent Facilities.

Step 3: The Transmission Provider shall study any potential Contingent Facilities identified in Step 2 by removing each of the potential Contingent Facilities from the study cases. Transmission Provider will then perform steady-state, short circuit, voltage stability, and/or transient stability analyses to determine if the Transmission System demonstrates acceptable pre- and post-contingency system performance per applicable RC, WECC, or NERC requirements. "Acceptable pre- and post-contingency system performance" as used in this context for purposes of identifying Contingent Facilities, shall utilize the same criteria used by Transmission Provider when determining the need for Network Upgrades and Interconnection Facilities during the Preliminary or Definitive Interconnection System Impact Study phase conducted pursuant to Section 6.3 or 7.3.

Step 4: If the Transmission System fails to demonstrate acceptable pre- and post-contingency system performance in the analysis performed in Step 3, then the potential Contingent Facilities will be confirmed as Contingent Facilities.

Step 5: In the Preliminary or Definitive Interconnection System Impact Study report, Transmission Provider is to explain why each of the confirmed Contingent Facilities was identified as such, and how it relates to the Interconnection Customer's Interconnection Request, such that Interconnection Customer has the opportunity to better understand their potential risk exposure should any such Contingent Facilities be delayed or not built.

3.8.2. Estimates Available for Contingent Facilities

Upon request of the Interconnection Customer, the Transmission Provider shall provide the estimated costs of Interconnection Facilities and/or Network Upgrades and the estimated in-service completion times of each of the Contingent Facilities identified in the Preliminary or Definitive Interconnection System Impact Study performed pursuant to Section 6.3 or 7.3 of this LGIP, if, and to the extent, the Transmission Provider determines that such information is readily available and not commercially sensitive.

3.8.3 Inclusion of Contingent Facilities in LGIA

Any Contingent Facilities identified for the Interconnection Customer at the conclusion of a Preliminary or Definitive Interconnection System Impact Study, performed pursuant to Section 6.3 or 7.3 of this LGIP, will subsequently be included in such Interconnection Customer's Large Generator Interconnection Agreement.

Section 4. Interconnection Request Evaluation Process

4.1 Queue Position.

4.1.1 The Transmission Provider shall assign a Queue Position within each study Queue as follows.

- a. The Queue Position within the Preliminary Interconnection System Impact Study Queue ("PISIS Queue") shall be assigned based upon the date and time of receipt of all items required under Section 6.2 pursuant to the provisions of Section 3.4.3.
- b. The Queue Position within the Definitive Interconnection System Impact Study Queue ("DISIS Queue") shall be assigned based upon the date and time of receipt of all items required under Section 7.2 pursuant to the provisions of Section 3.4.3.

4.1.2 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. A Queue Position in the DISIS Queue shall be deemed higher than all Queue Positions in the PISIS Queue. 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.

4.2 General Study Process.

The diagram attached as Appendix 1-A provides an overview and timeline of the Transmission Provider's Interconnection Request submission and study process which is further described in detail in this Section 4.2 and Sections 5, 6, and 7 of this LGIP.

4.2.1 PISIS Queue Study Procedures.

The Transmission Provider shall accept Interconnection Requests for the PISIS Queue during a ninety (90) Calendar Day period, hereinafter referred to as the "PISIS Queue Cluster Window". There shall be two (2) PISIS Queue Cluster Windows every twelve months and each PISIS Queue Cluster Window shall open 180 Calendar Days after the close of the

previous PISIS Queue Cluster Window. Following the close of each PISIS Queue Cluster Window, the Transmission Provider shall complete the study of valid Interconnection Requests within the PISIS Queue in accordance with the timeline specified in Section 6.4. The Transmission Provider shall, without regard to Queue Position, simultaneously study two or more valid Interconnection Requests within the PISIS Queue on the basis of geographic location and proposed electrical interconnection as specified in the Interconnection Requests in a non-discriminatory manner without regard to the nature of the underlying Interconnection Service, whether Energy Resource Interconnection Service or Network Resource Interconnection Service (“Cluster Study”). The Queue Position of an Interconnection Request shall have no bearing on the allocation of the cost of the common upgrades identified in a Cluster Study.

The Transmission Provider may study an Interconnection Request separately (not in a Cluster Study) to the extent warranted by Good Utility Practice based upon the electrical remoteness of the proposed Large Generating Facility. If such an individual Interconnection Request within the PISIS Queue is not included within a Cluster Study, the Transmission Provider shall study such individual Interconnection Request based upon Queue Position without regard to the nature of the underlying Interconnection Service, whether Energy Resource Interconnection Service or Network Resource Interconnection Service.

Cluster Studies performed within the PISIS phase 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. In the event that an Interconnection Customer withdraws from the process at any point during the PISIS phase and that Interconnection Customer’s request was included in a Cluster Study, the Transmission Provider may substitute the next highest queued similarly situated Interconnection Request within the PISIS Queue into the current PISIS phase, provided such substitution occurs on a non-discriminatory basis and does not have a material impact on the effort required for completion of the applicable PISIS.

4.2.2 DISIS Queue Study Procedures.

The Transmission Provider shall accept Interconnection Requests for DISIS Queue during a ninety (90) Calendar Day period, hereinafter referred to as the "DISIS Queue Cluster Window". There shall be two (2) DISIS Queue Cluster Windows every twelve (12) months and each DISIS Queue Cluster Window shall open 180 Calendar Days after the close of the previous DISIS Queue Cluster Window. Following the close of the DISIS Queue Cluster Window, the Transmission Provider shall complete the study of valid Interconnection Requests within the DISIS Queue in accordance with the

timeline specified in Section 7.4. The Transmission Provider shall, without regard to Queue Position, simultaneously study two or more valid Interconnection Requests within the DISIS Queue as a Cluster Study on the basis of geographic location and proposed electrical interconnection as specified in the Interconnection Requests in a non-discriminatory manner without regard to the nature of the underlying Interconnection Service, whether Energy Resource Interconnection Service or Network Resource Interconnection Service. The Queue Position of an Interconnection Request shall have no bearing on the allocation of the cost of the common upgrades identified in a Cluster Study.

The Transmission Provider may study an Interconnection Request separately (not in a Cluster Study) to the extent warranted by Good Utility Practice based upon the electrical remoteness of the proposed Large Generating Facility. If such an individual Interconnection Request within the DISIS Queue is not included within a Cluster Study, the Transmission Provider shall study individual Interconnection Request based upon Queue Position without regard to the nature of the underlying Interconnection Service, whether Energy Resource Interconnection Service or Network Resource Interconnection Service.

Cluster Studies performed within the DISIS phase 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. In the event that an Interconnection Customer withdraws from the process at any point during the DISIS phase and that Interconnection Customer's request was included in a Cluster Study, the Transmission Provider may substitute the next highest queued similarly situated Interconnection Request within the DISIS Queue or PISIS Queue into the current study phase, provided such substitution occurs on a non-discriminatory basis and does not have a material impact on the effort required for completion of the applicable study. Moreover, any Interconnection Request that is considered from the PISIS Queue must meet the requirements of the DISIS Queue.

4.2.3 Changes to Study Procedures.

The PISIS Queue Cluster Window and the DISIS Queue Cluster Window described in the following subsections have fixed time intervals based on fixed annual opening and closing dates.

Any changes to the established PISIS Queue Cluster Window or the DISIS Queue Cluster Window 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 changes and continuing thereafter through the end date of the first queue cluster window

that is to be modified.

4.2.4 Study Cost and Network Upgrade Cost allocation.

The Transmission Provider shall determine each Interconnection Customer's share of PISIS costs and/or DISIS costs of a Cluster Study by allocating (1) 50% of the applicable study costs to Interconnection Customers on a pro-rata basis based on number of Interconnection Requests included in the applicable study and (2) 50% of the applicable study costs to Interconnection Customers on a pro-rata basis based on requested MWs included in the applicable study.

For Network Upgrades identified in Cluster Studies, the Transmission Provider shall calculate each Interconnection Customer's share of Network Upgrade costs in the following manner:

- a. Station equipment including all switching stations will be allocated based on the number of Generating Facilities interconnecting at an individual station on a pro rata basis.
- b. All transmission lines, transformers and voltage support related Network Upgrades will be allocated based on the proportional capacity of each individual Generating Facility in the Cluster Studies requiring such Network Upgrades.

4.3 Transferability of Queue Position.

An Interconnection Customer may transfer its Queue Position to another entity only if such entity acquires the specific Generating Facility identified in the Interconnection Request and the Point of Interconnection does not change.

4.4 Modifications.

Interconnection Customer shall submit to Transmission Provider, in writing, modifications to any information provided in the Interconnection Request. Interconnection Customer shall retain its Queue Position if the modifications are in accordance with Sections 4.4.1, or 4.4.4, or are determined not to be Material Modifications pursuant to Section 4.4.2.

Notwithstanding the above, during the course of the Interconnection Studies, either Interconnection Customer or Transmission Provider may identify changes to the planned interconnection that may improve the costs and benefits (including reliability) of the interconnection, and the ability of the proposed change to accommodate the Interconnection Request. To the extent the identified changes are acceptable to Transmission Provider and Interconnection Customer, such acceptance not to be unreasonably withheld, Transmission Provider shall modify the Point of Interconnection and/or configuration in accordance with such changes and proceed with any re-studies necessary to do so in accordance with Section 7.6

and Section 7.11 as applicable and Interconnection Customer shall retain its Queue Position.

- 4.4.1** Prior to the return of the executed Definitive Interconnection System Impact Study Agreement to Transmission Provider, modifications permitted under this Section shall include specifically: (a) a decrease of up to 60 percent of electrical output (MW) of the proposed project, through either (1) a decrease in plant size or (2) a decrease in Interconnection Service level (consistent with the process described in Section 3.1) accomplished by applying Transmission Provider-approved injection-limiting equipment; (b) modifying the technical parameters associated with the Large Generating Facility technology or the Large Generating Facility step-up transformer impedance characteristics; and (c) modifying the interconnection configuration. For plant increases, the incremental increase in plant output will go to the end of the queue for the purposes of cost allocation and study analysis.
- 4.4.2** Prior to the return of the executed Interconnection Facility Study Agreement to Transmission Provider, the modifications permitted under this Section shall include specifically: (a) additional 15 percent decrease of electrical output of the proposed project through either (1) a decrease in plant size (MW) or (2) a decrease in Interconnection Service level (consistent with the process described in Section 3.1) accomplished by applying Transmission Provider-approved injection-limiting equipment; (b) Large Generating Facility technical parameters associated with modifications to Large Generating Facility technology and transformer impedances; provided, however, the incremental costs associated with those modifications are the responsibility of the requesting Interconnection Customer; and (c) a Permissible Technological Advancement for the Large Generating Facility after the submission of the Interconnection Request. Section 4.4.6 specifies a separate technology change procedure including the requisite information and process that will be followed to assess whether the Interconnection Customer's proposed technological advancement under Section 4.4.2(c) is a Material Modification. Section 1 contains a definition of Permissible Technological Advancement.
- 4.4.3** Prior to making any modification other than those specifically permitted by Sections 4.4.1, 4.4.2 and 4.4.5, Interconnection Customer may first request that Transmission Provider evaluate whether such modification is a Material Modification. In response to Interconnection Customer's request, Transmission Provider shall evaluate the proposed modifications prior to making them and inform Interconnection Customer in writing of whether the modifications would constitute a Material Modification. Any change to the Point of Interconnection, except those deemed acceptable under Sections 4.4.1, 4.4.2, 6.1, 7.2 or so allowed elsewhere, shall constitute a Material Modification. Interconnection Customer may then withdraw the

proposed modification or proceed with a new Interconnection Request for such modification. An Interconnection Customer may change the Point of Interconnection for a Generating Facility if the Interconnection Customer submits an application for Interconnection Service in the PISIS Queue and later resubmits the same generating facility in a later PISIS Queue or DISIS Queue.

4.4.4 Upon receipt of Interconnection Customer's request for modification permitted under this Section 4.4, Transmission Provider shall commence and perform any necessary additional studies as soon as practicable, but in no event shall Transmission Provider commence such studies later than thirty (30) Calendar Days after receiving notice of Interconnection Customer's request. Any additional studies resulting from such modification shall be done at Interconnection Customer's cost.

4.4.5 Extensions of less than three (3) cumulative years in the Commercial Operation Date of the Large Generating Facility to which the Interconnection Request relates are not material and should be handled through construction sequencing; provided, however, that extensions may necessitate a determination of whether the Generating Facility will retain its WECC accepted rating status and whether additional studies are required pursuant to the Applicable Reliability Standards.

4.4.6 Technological Change Procedure.

Prior to the return of an executed Facilities Study Agreement, the only modification permitted other than what is allowed per Section 4.4 - Modifications without potentially affecting the 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 (PTAR) and the Transmission Provider's responsibilities for determining whether the Interconnection Customer's proposed technological advancement is a Permissible Technological Advancement.

Interconnection Customer's PTAR

If an Interconnection Customer seeks to incorporate a technological advancement into its existing Interconnection Request, the Interconnection Customer must submit a valid PTAR to the Transmission Provider prior to the return of an executed Facilities Study Agreement. To timely submit a valid PTAR, the Interconnection Customer shall provide the following to the Transmission Provider:

- 1) An updated Interconnection Request for a Large Generating Facility (Appendix 1 to LGIP) and an updated Attachment A to Appendix 1 to LGIP, that reflects the data associated with the change in technology or technological advancement that Interconnection

Customer seeks to incorporate into its Interconnection Request;

- 2) A \$10,000 deposit of which \$5,000 will be non-refundable;
- 3) 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;
- 4) Updated power flow and dynamics models in GE PSLF digital format.

After the Transmission Provider receives a valid PTAR, deposit, updated models, and additional data, the Transmission Provider shall, within thirty (30) Calendar Days, determine whether the technological advancement is a Permissible Technological Advancement or whether a further study is necessary to determine whether the technological advancement is a Material Modification.

If Transmission Provider determines that the proposed technological advancement would not change any of the parameters in Appendix 1 of the LGIP, then no further study will be necessary, the proposed technological advancement will not be considered a Material Modification, and any of the refundable portion of the Interconnection Customer's deposit that exceeds the actual costs that Transmission Provider has incurred will be refunded, including interest, calculated in accordance with section 35.19a(a)(2) of FERC's regulations.

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 technological advancement results in electrical performance that is equal to or better than the electrical performance expected prior to the technology change, and whether such technological advancement causes any reliability concerns. At the conclusion of the study, Transmission Provider is to provide an accounting of the actual costs of the study to the Interconnection Customer and either refund any of the refundable portion of the Interconnection Customer's deposit that exceeds the actual costs that Transmission Provider has incurred, including interest, calculated in accordance with section 35.19a(a)(2) of FERC's regulations or invoice the Interconnection Customer for any shortage of actual costs that exceed the Interconnection Customer's deposit.

If the Transmission Provider's assessment determines that the technological advancement is a Permissible Technological Advancement, the Transmission Provider shall notify the Interconnection Customer and the

Permissible Technological Advancement shall be incorporated without the loss of Interconnection Customer's Queue Position. If, however, the Transmission Provider cannot accommodate the proposed technological advancement without triggering the Material Modification provision of this LGIP, the Transmission Provider is to tender a report with the results of the steady-state analyses, reactive power capabilities, short circuit/fault duty impacts, stability analyses, and any other studies that were completed, including an explanation of why the technological advancement is deemed a Material Modification. Once notified, the Interconnection Customer may withdraw the proposed modification or proceed with a new Interconnection Request for such modification.

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

5.1 Transition Procedures.

5.1.1 Any Interconnection Customer assigned a Queue Position prior to the effective date of this LGIP as revised in Docket No. ER11-3522-000 and ER11-3522-001 and accepted by the Commission on September 30, 2011 shall retain that Queue Position subject to meeting the requirements below in Sections 5.1.1.1 and 5.1.1.2. Any Interconnection Customer that fails to meet these requirements shall have its Interconnection Request deemed withdrawn pursuant to Section 3.6.

5.1.1.1 All Interconnection Requests for which an Interconnection Facilities Study Agreement has been executed, including those that have an Interconnection Facilities Study posted or that are in LGIA negotiation process pursuant to Section 10.2, shall not be required to conform to the Revised LGIP. All Interconnection Facility Studies in process at the issuance of the Final Order shall be completed within sixty (60) Calendar Days, prior to the start of the Transition DISIS Cluster Window.

5.1.1.2 All Interconnection Requests for which an Interconnection Facilities Study Agreement has not been executed as of the effective date of the Revised LGIP will be required to conform to the Revised LGIP and shall be subject to the Revised LGIP. Within sixty (60) Calendar Days of the effective date of the Revised LGIP, Interconnection Customers with Interconnection Requests subject to the Revised LGIP shall take all actions necessary to conform to the Revised LGIP, including but not limited to revising the previously submitted Interconnection Request and providing any additional deposits required to conform to all deposit

and data requirements specified under Section 3.3.1, Section 6.2 or Section 7.2 of the Revised LGIP, as applicable. Interconnection Customer shall retain its priority in the applicable Queue, as determined by its deposit and data submittal, relative to the other Interconnection Customers in that respective Queue.

5.1.1.3

Transmission Provider will initiate the Revised LGIP by establishing a “Transition DISIS Cluster Window.” Only Interconnection Customers with a valid Interconnection Request on September 30, 2011, and who notify Transmission Provider in writing by November 29, 2011, of their intention to be included in the Transition DISIS Cluster Window, and who have complied with the provisions of Section 7.2 shall be included in the Transition DISIS Cluster Window. The Transition DISIS Queue Cluster Window will close at the close of business on November 29, 2011, and Transmission Provider will produce the first DISIS Study pursuant to the schedule provided for in the LGIP. Following the close of the Transition DISIS Cluster Window, Transmission Provider will tender DISIS Agreements that must be executed and returned to the Transmission Provider no later than December 29, 2011.

Interconnection Requests submitted after September 30, 2011, shall be included in either the DISIS Cluster Window following the completion of the Transition DISIS Cluster Window or in the first available PISIS Queue Cluster Window.

The “Transition PISIS Queue Cluster Window” will open on December 29, 2011.

Future cluster windows will operate per the terms of Sections 4.2.1 and 4.2.2 respectively.

5.1.2 If an LGIA has been submitted to FERC for approval prior to September 30, 2011, then the LGIA shall not be required to conform to the Revised LGIP.

5.2 New Transmission Provider.

If Transmission Provider transfers control of its Transmission System to a successor Transmission Provider during the period when an Interconnection Request is pending, the original Transmission Provider shall transfer to the successor Transmission Provider any amount of the deposit or payment with interest thereon that exceeds the cost that it incurred to evaluate the request for

interconnection. Any difference between such net amount and the deposit or payment required by this LGIP shall be paid by or refunded to the Interconnection Customer, as appropriate. The original Transmission Provider shall coordinate with the successor Transmission Provider to complete any Interconnection Study, as appropriate, that the original Transmission Provider has begun but has not completed. If Transmission Provider has tendered a draft LGIA to Interconnection Customer but Interconnection Customer has not either executed the LGIA or requested the filing of an unexecuted LGIA with FERC, unless otherwise provided, Interconnection Customer must complete negotiations with the successor Transmission Provider.

Section 6. Preliminary Interconnection System Impact Study

6.1 Preliminary Interconnection System Impact Study Agreement.

Unless otherwise agreed, pursuant to the Scoping Meeting provided in Section 3.4.4, or simultaneously with the acknowledgement of a valid Interconnection Request indicating that a PISIS is to be performed, Transmission Provider shall provide to Interconnection Customer a PISIS Agreement in the form of Appendix 2 to this LGIP. The PISIS Agreement shall provide that Interconnection Customer shall compensate Transmission Provider for the actual cost of the PISIS. Within seven (7) Calendar Days of the close of a Cluster Window, the Transmission Provider shall provide to Interconnection Customers a non-binding updated good faith estimate of the cost and timeframe for completing the PISIS.

6.2 Execution of Preliminary Interconnection System Impact Study Agreement.

Interconnection Customer shall execute the PISIS Agreement and deliver the executed PISIS Agreement to Transmission Provider no later than the lesser of (i) thirty (30) Calendar Days following its receipt, or (ii) ten (10) Calendar Days following the close of the PISIS Queue Cluster Window, along with technical data as denoted in Appendix 1 of this LGIP, if applicable.

Failure to return the PISIS Agreement and to meet the requirements listed above will result in immediate withdrawal of the Interconnection Request.

Deposits will be applied towards the PISIS costs. If the Interconnection Customer's share of the PISIS costs exceeds the deposited amount, then the Interconnection Customer will be responsible for this excess cost. If the Interconnection Customer's share of the PISIS cost is less than the deposited amount, the difference shall be refunded to the Interconnection Customer, or, the Interconnection Customer may elect to apply the difference as part of the deposit requirements for participation in a DISIS.

6.3 Scope of Preliminary Interconnection System Impact Study.

The PISIS shall evaluate the impact of the proposed interconnection on the reliability of the Transmission System. The PISIS 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 PISIS is commenced: (i) are directly interconnected to the Transmission System; (ii) are interconnected to Affected Systems and may have an impact on the Interconnection Request; (iii) have a pending higher queued Interconnection Request to interconnect to the Transmission System; and (iv) have no Queue Position but have executed an LGIA or requested that an unexecuted LGIA be filed with FERC.

The PISIS will consist of a short circuit analysis, a stability analysis, and a power flow analysis. The PISIS 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 PISIS 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.

6.4 Preliminary Interconnection System Impact Study Procedures.

Transmission Provider shall coordinate the PISIS with any Affected System that is affected by the Interconnection Request pursuant to Section 3.5 above.

Transmission Provider shall utilize existing studies to the extent practicable when it performs the study. Interconnection Requests for PISIS may be submitted within the PISIS Queue Cluster Window pursuant to Section 4.2.1 Transmission Provider shall use Reasonable Efforts to complete the PISIS no later than one-hundred-fifty (150) Calendar Days after the close of the PISIS Queue Cluster Window.

At the request of an Interconnection Customer in the PISIS Cluster, Transmission Provider shall notify Interconnection Customer as to the schedule status of the PISIS. If Transmission Provider is unable to complete the PISIS within the time period, it shall notify Interconnection Customer and provide an estimated completion date with an explanation of the reasons why additional time is required.

Upon request, Transmission Provider shall provide Interconnection Customer all supporting documentation, workpapers and relevant pre-Interconnection Request and post-Interconnection Request power flow, short circuit and stability databases for the PISIS, subject to confidentiality arrangements consistent with Section 12.1.

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.

6.5 Meeting with Transmission Provider.

Within ten (10) Business Days of providing a PISIS report to Interconnection

Customer, Transmission Provider and Interconnection Customer shall meet to discuss the results of the PISIS.

Section 7. Definitive Planning Phase

7.1 Definitive Interconnection System Impact Study Agreement.

Unless otherwise agreed, pursuant to the Scoping Meeting provided in Section 3.4.4, simultaneously with the acknowledgement of a valid Interconnection Request indicating that a DISIS is to be performed, Transmission Provider shall provide to Interconnection Customer a DISIS Agreement in the form of Appendix 3 to this LGIP. The DISIS Agreement shall provide that Interconnection Customer shall compensate Transmission Provider for the actual cost of the DISIS. Within seven (7) Calendar Days of the close of a Cluster Window, the Transmission provider shall provide to Interconnection Customer a non-binding updated good faith estimate of the cost and timeframe for completing the DISIS.

7.2 Execution of Definitive Interconnection System Impact Study Agreement.

Interconnection Customer shall execute the DISIS Agreement and deliver the executed DISIS Agreement to Transmission Provider no later than the lesser of (i) thirty (30) Calendar Days following its receipt or (ii) ten (10) Calendar Days following the close of the DISIS Queue Cluster Window, along with:

- a. demonstration of Site Control and site adequacy; and
- b. definitive Point of Interconnection; and
- c. If Transmission Provider has not been notified pursuant to Section 29.2 of Part III of the OATT that Interconnection Customer's proposed Generating Facility is to be designated as a Network Resource within Transmission Provider's Control Area, the point of delivery or the geographic area on PNM's system at which Interconnection Customer intends to deliver output out of Transmission Provider's Control Area; and
- d. definitive plant size (MW); and
- e. Technical information required in Appendix 1 of this LGIP, if applicable; and
- f. one of the following:
 - i. Security equal to \$2000/MW of the plant size (refundable at commercial operation or if LGIA is not executed by Interconnection Customer); or
 - ii. An executed contract (or comparable evidence) for the sale of electric energy or capacity from the Generating Facility; or

- iii. Statement signed by an officer or authorized agent of the Interconnection Customer attesting that the Large Generating Facility is included in an applicable state resource plan; or
- iv. Other information that the Transmission Provider deems to be reasonable evidence that the Large Generating Facility will qualify as a designated Network Resource; or
- v. Site specific Purchase Order for generating equipment specific to Queue Position, or statement signed by an officer or authorized agent of the Interconnection Customer attesting that the Generating Facility included is to be supplied with turbines with a manufacturer's blanket purchase agreement to which Interconnection Customer is a party. This blanket purchase agreement shall be provided to Transmission Provider.

If the DISIS uncovers any unexpected result(s) not contemplated during the Scoping Meeting, a substitute Point of Interconnection identified by Transmission Provider may be substituted for the designated Point of Interconnection specified above without loss of Queue Position, and re-studies shall be completed pursuant to Section 7.6 as applicable.

7.3 Scope of Definitive Interconnection System Impact Study.

The DISIS scope shall be the same as the PISIS scope described under Section 6.3. and shall include any Interconnection Requests received during the DISIS Queue Cluster Window.

For purposes of determining necessary Interconnection Facilities and Network Upgrades, the DISIS 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.

7.4 Definitive Interconnection System Impact Study Procedures.

- a. Transmission Provider shall coordinate the DISIS with any Affected System that is affected by the Interconnection Request pursuant to Section 3.6 above. Transmission Provider shall utilize existing studies to the extent practicable when it performs the study. Interconnection Requests for DISIS may be submitted within the DISIS Queue Cluster Window pursuant to Section 4.2.2. Transmission Provider shall use Reasonable Efforts to complete the DISIS no later than one-hundred-fifty (150) Calendar Days after the close of the DISIS Queue Cluster Window.
- b. At the request of an Interconnection Customer in the DISIS Cluster, Transmission Provider shall notify Interconnection Customer as to the

schedule status of the DISIS. If Transmission Provider is unable to complete the DISIS within the time period, it shall notify Interconnection Customer and provide an estimated completion date with an explanation of the reasons why additional time is required.

Upon request, Transmission Provider shall provide Interconnection Customer all supporting documentation, workpapers and relevant pre-Interconnection Request and post-Interconnection Request power flow, short circuit and stability databases for the DISIS, subject to confidentiality arrangements consistent with Section 12.1.

- c. Interconnection Customer's study cost obligations and refunds shall be as defined in Section 12.3 with the following exception. If an Interconnection Customer withdraws from an active DISIS prior to the Interconnection Facilities Study phase, that Interconnection Customer's study cost obligation shall be equal to two (2) times its actual allocated cost of the DISIS.

If the Interconnection Customer's study cost obligation as defined above exceeds the deposited amount submitted pursuant to Section 3.3.1 and Section 7.2, then the Interconnection Customer will be responsible for this excess cost. If the Interconnection Customer's study cost obligation as defined above is less than the deposited amount submitted pursuant to Section 3.3.1 and Section 7.2, the difference shall be refunded to the Interconnection Customer.

7.5 Meeting with Transmission Provider.

Within ten (10) Business Days of providing a DISIS report to Interconnection Customer, Transmission Provider, Transmission Owner and Interconnection Customer shall meet to discuss the results of the DISIS.

7.6 Re-Study.

If Re-Study of the DISIS is required due to a higher or equal priority queued project dropping out of the queue, or a modification of a higher queued project subject to Section 4.4, or re-designation of the Point of Interconnection pursuant to Section 7.2, Transmission Provider shall notify Interconnection Customer in writing. Any cost of Re-Study, as reduced by deposit amounts retained under Section 7.4.c, shall be borne by the Interconnection Customer(s) being re-studied. To the extent possible, Transmission Provider will undertake reasonable efforts to reduce Re-Study work by modifying existing studies that may closely approximate the system load and conditions reflected by the withdrawal from the DISIS Queue or by advancing customers with equivalent technology and size from the PISIS Queue or the pending DISIS Queue.

7.7 Interconnection Facilities Study Agreement.

Simultaneously with the delivery of the DISIS report to Interconnection Customer, Transmission Provider shall provide to Interconnection Customer an Interconnection Facilities Study Agreement in the form of Appendix 4 to this LGIP. The Interconnection Facilities Study Agreement shall provide that Interconnection Customer shall compensate Transmission Provider for the actual cost of the Interconnection Facilities Study. Within three (3) Business Days following the DISIS 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 the required technical data along with one of the following:

- a. Letter of Credit or payment of Interconnection Customer's share of estimated Network Upgrades less any amounts provided under Section 7.2.f.i (refundable if LGIA is not executed by Interconnection Customer); or
- b. An executed contract (or comparable evidence) for the sale of electric energy or capacity from the Generating Facility; or
- c. Statement signed by an officer or authorized agent of the Interconnection Customer attesting that the Large Generating Facility is included in an applicable state resource plan; or
- d. Other information that the Transmission Provider deems to be reasonable evidence that the Large Generating Facility will qualify as a designated Network Resource; or
- e. Site Specific Purchase Order for generating equipment specific to Queue Position or statement signed by an officer or authorized agent of the Interconnection Customer attesting that the Generating Facility is to be supplied with turbines with a manufacturer's blanket purchase agreement to which Interconnection Customer is a party. This blanket purchase agreement shall be provided to Transmission Provider.

7.7.1 Transmission Provider shall invoice Interconnection Customer on a monthly basis for the work to be conducted on the Interconnection Facilities Study. 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.

7.8 Scope of Interconnection Facilities Study.

The Interconnection Facilities Study shall specify and estimate the cost of the equipment, engineering, procurement and construction work needed to implement

the conclusions of the DISIS in accordance with Good Utility Practice to physically and electrically connect the Large Generating Interconnection Facility to the Transmission System. The Interconnection Facilities Study shall also identify the electrical switching configuration of the connection equipment, including, without limitation: the transformer, switchgear, meters, and other station equipment; the nature and estimated cost of any Transmission Provider's Interconnection Facilities and Network Upgrades necessary to accomplish the interconnection; and an estimate of the time required to complete the construction and installation of such facilities. The Interconnection Facilities Study will also identify any potential control equipment for requests for Interconnection Service that are lower than the Generating Facility Capacity.

7.9 Interconnection Facilities Study Procedures.

- a. Transmission Provider shall coordinate the Interconnection Facilities Study with any Affected System pursuant to Section 3.6 above. Transmission Provider shall utilize existing studies to the extent practicable in performing the Interconnection Facilities Study. Transmission Provider shall use Reasonable Efforts to complete the study and issue a draft Interconnection Facilities Study report to Interconnection Customer within one-hundred-fifty (150) Calendar Days after receipt of an executed Interconnection Facilities Study Agreement.
- b. At the request of Interconnection Customer, 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.
- c. 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 consider 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-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 12.1.

- d. Interconnection Customer's study cost obligations and refunds shall be as defined in Section 12.3 with the following exception. An Interconnection Customer that withdraws during or after the completion of the Interconnection Facilities Study will receive no refund unless the facilities cost estimate from the Interconnection Facilities Study exceeds the facilities cost estimate from the DISIS by twenty-five percent (25%) or more. In such case, the Interconnection Customer's study cost obligation shall be equal to two (2) times its actual allocated costs of such DISIS and Interconnection Facilities Study. If the Interconnection Customer's study cost obligation as defined above exceeds the deposited amount submitted pursuant to Section 3.1.1 and Section 7.2, then the Interconnection Customer will be responsible for this excess cost. If the Interconnection Customer's study cost obligation as defined above is less than the deposited amount submitted pursuant to Section 3.3.1 and Section 7.2, the difference shall be refunded to the Interconnection Customer.

7.10 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.

7.11 Re-Study.

If Re-Study of the Interconnection Facilities Study is required due to a higher or equal priority queued project dropping out of the queue or a modification of a higher queued project pursuant to Section 4.4, Transmission Provider shall so notify Interconnection Customer in writing. Any cost of Re-Study, as reduced by deposit amounts retained under Section 7.9.d, shall be borne by the Interconnection Customer(s) being re-studied. To the extent possible, Transmission Provider will undertake reasonable efforts to reduce Re-Study work by modifying existing studies that may closely approximate the system load and conditions reflected by the withdrawal from the DISIS Queue or by advancing customers with equivalent technology and size from the PISIS Queue or a pending DISIS Queue. Further, other Interconnection Customers remaining in the study shall be offered the first right to increase the size of their Generating Facility, in proportion to their share of the total amount of Generating Facilities included in the DISIS Cluster Window, in order to equal the original amount of Interconnection Service subject to the DISIS and Interconnection Facility Study. To the extent any Interconnection Customer declines the additional Interconnection Service, the remaining available capacity shall be made available to other Interconnection Customers in the DISIS Queue and Interconnection Facility Study Cluster Window.

Section 8. Reserved

Section 9. Reserved

Section 10. Standard Large Generator Interconnection Agreement (LGIA)

10.1 Tender.

Within thirty (30) Calendar Days after Transmission Provider issues the final Interconnection Facilities Study report, Transmission Provider shall tender a draft LGIA, together with draft appendices completed to the extent practicable. The draft LGIA shall be in the form of Transmission Provider's FERC-approved standard form LGIA, which is in Appendix 6. Interconnection Customer shall execute and return the completed draft appendices within thirty (30) Calendar Days.

10.2 Negotiation.

Notwithstanding Section 10.1, at the request of Interconnection Customer Transmission Provider shall begin negotiations with Interconnection Customer concerning the appendices to the LGIA at any time after Interconnection Customer executes the Interconnection Facilities Study Agreement. Transmission Provider and Interconnection Customer shall negotiate concerning any disputed provisions of the appendices to the draft LGIA for not more than sixty (60) Calendar Days after tender of the final Interconnection Facilities Study Report. If Interconnection Customer determines that negotiations are at an impasse, it may request termination of the negotiations at any time after tender of the draft LGIA pursuant to Section 10.1 and request submission of the unexecuted LGIA with FERC or initiate Dispute Resolution procedures pursuant to Section 12.5. If Interconnection Customer requests termination of the negotiations, but within sixty (60) Calendar Days thereafter fails to request either the filing of the unexecuted LGIA or initiate Dispute Resolution, it shall be deemed to have withdrawn its Interconnection Request. Unless otherwise agreed by the Parties, if Interconnection Customer has not executed the LGIA, requested filing of an unexecuted LGIA, or initiated Dispute Resolution procedures pursuant to Section 12.5 within sixty (60) Calendar Days of tender of draft LGIA, it shall be deemed to have withdrawn its Interconnection Request.

Transmission Provider shall provide to Interconnection Customer a final LGIA within fifteen (15) Business Days after the completion of the negotiation process.

10.3 Execution and Filing.

Within fifteen (15) Business Days after receipt of the final LGIA, Interconnection Customer shall provide Transmission Provider (A) reasonable evidence of continued Site Control or (B) posting of \$250,000, non-refundable additional security, which shall be applied toward future construction costs. At the same time, Interconnection Customer also shall provide reasonable evidence that one or more of the following milestones in the development of the Large Generating Facility, at Interconnection Customer election, has been achieved: (i) the execution of a contract for the supply or transportation of fuel to the Large Generating Facility; (ii) the execution of a contract for the supply of cooling water

to the Large Generating Facility; (iii) execution of a contract for the engineering for, procurement of major equipment for, or construction of, the Large Generating Facility; (iv) execution of a contract (or comparable evidence) for the sale of electric energy or capacity from the Large Generating Facility; (v) statement signed by an officer or authorized agent of the Interconnection Customer attesting the Large Generating Facility is included in an applicable state resource plan; (vi) other information that the Transmission Provider deems to be reasonable evidence that the Large Generating Facility will qualify as a designated Network Resource; or (vii) application for an air, water, or land use permit. The Transmission Provider will not execute the final LGIA unless the Interconnection Customer provides the information described in this paragraph.

Interconnection Customer shall either: (i) execute two originals of the tendered LGIA and return them to Transmission Provider; or (ii) request in writing that Transmission Provider file with FERC an LGIA in unexecuted form. As soon as practicable, but not later than ten (10) Business Days after receiving either the two executed originals of the tendered LGIA (if it does not conform with a FERC-approved standard form of interconnection agreement) or the request to file an unexecuted LGIA, Transmission Provider shall file the LGIA with FERC, together with its explanation of any matters as to which Interconnection Customer and Transmission Provider disagree and support for the costs that Transmission Provider proposes to charge to Interconnection Customer under the LGIA. An unexecuted LGIA should contain terms and conditions deemed appropriate by Transmission Provider for the Interconnection Request. If the Parties agree to proceed with design, procurement, and construction of facilities and upgrades under the agreed-upon terms of the unexecuted LGIA, they may proceed pending FERC action.

10.4 Commencement of Interconnection Activities.

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

Section 11. Construction of Transmission Provider's Interconnection Facilities and Network Upgrades

11.1 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.

11.2 Construction Sequencing.

11.2.1 General.

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

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

An Interconnection Customer with an LGIA, in order to maintain its In-Service Date, may request that Transmission Provider advance to the extent necessary the completion of Network Upgrades that: (i) were assumed in the Interconnection Studies for such Interconnection Customer, (ii) are necessary to support such In-Service Date, and (iii) would otherwise not be completed, pursuant to a contractual obligation of an entity other than Interconnection Customer that is seeking interconnection to the Transmission System, in time to support such In-Service Date. Upon such request, Transmission Provider will use Reasonable Efforts to advance the construction of such Network Upgrades to accommodate such request; provided that Interconnection Customer commits to pay Transmission Provider: (i) any associated expediting costs and (ii) the cost of such Network Upgrades.

Transmission Provider will refund to Interconnection Customer both the expediting costs and the cost of Network Upgrades, in accordance with Article 11.4 of the LGIA. Consequently, the entity with a contractual obligation to construct such Network Upgrades shall be obligated to pay only that portion of the costs of the Network Upgrades that Transmission Provider has not refunded to Interconnection Customer. Payment by that entity shall be due on the date that it would have been due had there been no request for advance construction. Transmission Provider shall forward to Interconnection Customer the amount paid by the entity with a contractual obligation to construct the Network Upgrades as payment in full for the outstanding balance owed to Interconnection Customer. Transmission Provider then shall refund to that entity the amount that it paid for the Network Upgrades, in accordance with Article 11.4 of the LGIA.

11.2.3 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.

- 11.2.4 Amended Definitive Interconnection System Impact Study.**
A DISIS will be amended to determine the facilities necessary to support the requested In-Service Date. This amended study will include those transmission and Large Generating Facilities that are expected to be in service on or before the requested In-Service Date.

Section 12. Miscellaneous

12.1 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.

Transmission Provider may perform study work using Western Electric Coordinating Council ("WECC") data (power flow, stability, and disturbance monitoring data) containing higher queued generation and transmission additions.

12.1.1 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 12.1.6, Order of Disclosure, to be disclosed by any Governmental Authority or is otherwise required to be disclosed by law or subpoena, or is necessary in any legal proceeding establishing rights and obligations under the LGIA. Information designated as Confidential Information will no longer be deemed confidential if the Party that designated the information as confidential notifies the other Party that it no longer is confidential.

12.1.2 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 12.1 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 12.1.

12.1.3 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.

12.1.4 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.

12.1.5 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.

12.1.6 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.

12.1.7 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 12.1. 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 12.1, 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 12.1, 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 12.1.

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

Notwithstanding anything in this Section 12.1 to the contrary, and pursuant to 18 CFR Section 1b.20, if FERC or its staff, during the course of an investigation or otherwise, requests information from one of the Parties that is otherwise required to be maintained in confidence pursuant to the LGIP, the Party shall provide the requested information to FERC or its staff, within the time provided for in the request for

information. In providing the information to FERC or its staff, the Party must, consistent with 18 CFR Section 388.112, request that the information be treated as confidential and non-public by FERC and its staff and that the information be withheld from public disclosure. Parties are prohibited from notifying the other Party prior to the release of the Confidential Information to FERC or its staff. The Party shall notify the other Party to the LGIA when it is notified by FERC or its staff that a request to release Confidential Information has been received by FERC, at which time either of the Parties may respond before such information would be made public, pursuant to 18 CFR Section 388.112. Requests from a state regulatory body conducting a confidential investigation shall be treated in a similar manner, consistent with applicable state rules and regulations.

- 12.1.9** Subject to the exception in Section 12.1.8, any information that a Party claims is competitively sensitive, commercial or financial information (“Confidential Information”) shall not be disclosed by the other Party to any person not employed or retained by the other Party, except to the extent disclosure is (i) required by law; (ii) reasonably deemed by the disclosing Party to be required to be disclosed in connection with a dispute between or among the Parties, or the defense of litigation or dispute; (iii) otherwise permitted by consent of the other Party, such consent not to be unreasonably withheld; or (iv) necessary to fulfill its obligations under this LGIP or as a transmission service provider or a Control Area operator including disclosing the Confidential Information to an RTO or ISO or to a subregional, regional or national reliability organization or planning group. The Party asserting confidentiality shall notify the other Party in writing of the information it claims is confidential. Prior to any disclosures of the other Party’s Confidential Information under this subparagraph, or if any third party or Governmental Authority makes any request or demand for any of the information described in this subparagraph, the disclosing Party agrees to promptly notify the other Party in writing and agrees to assert confidentiality and cooperate with the other Party in seeking to protect the Confidential Information from public disclosure by confidentiality agreement, protective order or other reasonable measures.
- 12.1.10** This provision shall not apply to any information that was or is hereafter in the public domain (except as a result of a Breach of this provision).
- 12.1.11** Transmission Provider shall, at Interconnection Customer’s election, destroy, in a confidential manner, or return the Confidential Information provided at the time of Confidential

Information is no longer needed.

12.2 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.

12.3 Obligation for Study Costs.

Except as provided in Section 7.4.c and Section 7.9.d, Transmission Provider shall charge and Interconnection Customer shall pay the actual costs of the Interconnection Studies. Any difference between the study deposit and the actual cost of the applicable Interconnection Study shall be paid by or refunded, except as otherwise provided herein, to Interconnection Customer or offset against the cost of any future Interconnection Studies associated with the applicable Interconnection Request prior to beginning of any such future Interconnection Studies. Any invoices for Interconnection Studies shall include a detailed and itemized accounting of the cost of each Interconnection Study. Interconnection Customer shall pay any such undisputed costs within thirty (30) Calendar Days of receipt of an invoice therefore. Transmission Provider shall not be obligated to perform or continue to perform any studies unless Interconnection Customer has paid all undisputed amounts in compliance herewith.

Unused study deposits provided pursuant to Section 3.3.1 and Section 7.2 will be refunded upon Commercial Operation. In the event that the Interconnection Customer withdraws its Interconnection Request during or after the Interconnection Facilities Study phase consistent with Section 3.6 or terminates or suspends its interconnection agreement, Transmission Provider shall refund to Interconnection Customer such unused study deposits, less any costs associated with any studies or restudies required as a result of the withdrawal of the Interconnection Request or suspension or termination of the interconnection agreement, including any restudies associated with any affected lower-queued customers.

12.4 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 6.4 or 7.3 that Transmission Provider will not complete an Interconnection Study within the applicable timeframe for such Interconnection Study, or (iii) Interconnection Customer receives neither the Interconnection Study nor a notice under Sections 6.4 or 7.3 within the applicable timeframe for such Interconnection Study, then Interconnection Customer may require Transmission Provider to utilize a third

party consultant reasonably acceptable to Interconnection Customer and Transmission Provider to perform such Interconnection Study under the direction of Transmission Provider. At other times, Transmission Provider may also utilize a third party consultant to perform such Interconnection Study, either in response to a general request of Interconnection Customer, or on its own volition.

In all cases, use of a third party consultant shall be in accord with Article 26 of the LGIA (Subcontractors) and limited to situations where Transmission Provider determines that doing so will help maintain or accelerate the study process for Interconnection Customer's pending Interconnection Request and not interfere with Transmission Provider's progress on Interconnection Studies for other pending Interconnection Requests. In cases where Interconnection Customer requests use of a third party consultant to perform such Interconnection Study, Interconnection Customer and Transmission Provider shall negotiate all of the pertinent terms and conditions, including reimbursement arrangements and the estimated study completion date and study review deadline. Transmission Provider shall convey all workpapers, data bases, study results and all other supporting documentation prepared to date with respect to the Interconnection Request as soon as soon as practicable upon Interconnection Customer's request subject to the confidentiality provision in Section 12.1. In any case, such third party contract may be entered into with either Interconnection Customer or Transmission Provider at Transmission Provider's discretion. In the case of (iii) Interconnection Customer maintains its right to submit a claim to Dispute Resolution to recover the costs of such third party study. Such third party consultant shall be required to comply with this LGIP, Article 26 of the LGIA (Subcontractors), and the relevant Tariff procedures and protocols as would apply if Transmission Provider were to conduct the Interconnection Study and shall use the information provided to it solely for purposes of performing such services and for no other purposes. Transmission Provider shall cooperate with such third party consultant and Interconnection Customer to complete and issue the Interconnection Study in the shortest reasonable time.

12.5 Disputes.

12.5.1 Submission.

In the event either Party has a dispute, or asserts a claim, that arises out of or in connection with the LGIA, the LGIP, or their performance, such Party (the "disputing Party") shall provide the other Party with written notice of the dispute or claim ("Notice of Dispute"). Such dispute or claim shall be referred to a designated senior representative of each Party for resolution on an informal basis as promptly as practicable after receipt of the Notice of Dispute by the other Party. In the event the designated representatives are unable to resolve the claim or dispute through unassisted or assisted negotiations within thirty (30) Calendar Days of the other Party's receipt of the Notice of Dispute, such claim or

dispute may, upon mutual agreement of the Parties, be submitted to arbitration and resolved in accordance with the arbitration procedures set forth below. In the event the Parties do not agree to submit such claim or dispute to arbitration, each Party may exercise whatever rights and remedies it may have in equity or at law consistent with the terms of this LGIA.

12.5.2 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 12, the terms of this Section 12 shall prevail.

12.5.3 Arbitration Decisions.

Unless otherwise agreed by the Parties, the arbitrator(s) shall render a decision within ninety (90) Calendar Days of appointment and shall notify the Parties in writing of such decision and the reasons therefore. The arbitrator(s) shall be authorized only to interpret and apply the provisions of the LGIA and LGIP and shall have no power to modify or change any provision of the LGIA and LGIP in any manner. The decision of the arbitrator(s) shall be final and binding upon the Parties, and judgment on the award may be entered in any court having jurisdiction. The decision of the arbitrator(s) may be appealed solely on the grounds that the conduct of the arbitrator(s), or the decision itself, violated the standards set forth in the Federal Arbitration Act or the Administrative Dispute Resolution Act. The final decision of the arbitrator must also be filed with FERC if it affects jurisdictional rates, terms and conditions of service, Interconnection Facilities, or Network Upgrades.

12.5.4 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.

12.5.5 Non-binding Dispute Resolution Procedures.

If a Party has submitted a Notice of Dispute pursuant to section 12.5.1, and the Parties are unable to resolve the claim or dispute through unassisted or assisted negotiations within the thirty (30) Calendar Days provided in that section, and the Parties cannot reach mutual agreement to pursue the section 12.5 arbitration process, a Party may request that Transmission Provider engage in Non-binding Dispute Resolution pursuant to this section by providing written notice to Transmission Provider (“Request for Non-binding Dispute Resolution”). Conversely, either Party may file a Request for Non-binding Dispute Resolution pursuant to this section without first seeking mutual agreement to pursue the section 12.5 arbitration process. The process in section 12.5.5 shall serve as an alternative to, and not a replacement of, the section 12.5 arbitration process. Pursuant to this process, a transmission provider must within 30 days of receipt of the Request for Non-binding Dispute Resolution appoint a neutral decision-maker that is an independent subcontractor that shall not have any current or past substantial business or financial relationships with either Party. Unless otherwise agreed by the Parties, the decision-maker shall render a decision within sixty (60) Calendar Days of appointment and shall notify the Parties in writing of such decision and reasons therefore. This decision-maker shall be authorized only to interpret and apply the provisions of the LGIP and LGIA and shall have no power to modify or change any provision of the LGIP and LGIA in any manner. The result reached in this process is not binding, but, unless otherwise agreed, the Parties may cite the record and decision in the non-binding dispute resolution process in future dispute resolution processes, including in a section 12.5 arbitration, or in a Federal Power Act section 206 complaint. Each Party shall be responsible for its own costs incurred during the process and the cost of the decision-maker shall be divided equally among each Party to the dispute.

12.6 Local Furnishing Bonds.

12.6.1 Transmission Providers That Own Facilities Financed by Local Furnishing Bonds.

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

12.6.2 Alternative Procedures for Requesting Interconnection Service. If Transmission Provider determines that the provision of Interconnection Service requested by Interconnection Customer would jeopardize the tax-exempt status of any local furnishing bond(s) used to finance its facilities that would be used in providing such Interconnection Service, it shall advise the Interconnection Customer within thirty (30) Calendar Days of receipt of the Interconnection Request.

Interconnection Customer thereafter may renew its request for interconnection using the process specified in Article 5.2(ii) of the Transmission Provider’s Tariff.