Call to Order
Invocation
Pledge of Allegiance
Roll Call
Safety Minute

1. **CONSENT AGENDA:** The following agenda item(s) will be considered as a group by the Board of Directors and will be enacted with one motion. There will be no separate discussion of these item(s) unless a Board Member requests, in which event the agenda item(s) will be removed from the Consent Agenda and considered as a separate item.......................... PRESIDENT DAVID ROUSSEAU

   A. Request for approval of the minutes for the meetings of September 26 and October 2, 2023.


2. **Report of the Power Committee Meeting of October 26, 2023** .................................................................DIRECTOR LESLIE C. WILLIAMS

   A. Request for approval of the proposed revisions to SRP’s Large Generator Interconnection Procedures and pro forma Large Generator Interconnection Agreements. The Board may vote to go into Executive Session, pursuant to A.R.S. §38-431.03(A)(3), to have discussion or consultation with attorneys for legal advice regarding legal issues that may arise during the report.

   B. Request for approval to enter into an agreement with the City of Phoenix under which SRP will retire, on behalf of the City of Phoenix, Renewable Energy Certificates (RECs) from the existing 20-Megawatt (MW) Copper Crossing Solar Facility.

   C. Closed Session, Pursuant to A.R.S. §30-805(B), for the Board to consider matters relating to competitive activity, including trade secrets or privileged or confidential commercial or financial information, with respect to a proposed amendment of a renewable energy supply agreement with a large industrial customer.

3. **Review of Financial Results for the Month of September 2023** ...... JEFF WRIGHT

4. **Informational Presentation and Training Regarding SRP’s Anti-Harassment Policy** .................................................................PHYLLIS BRUNER
5. **Report on Current Events by the General Manager and Chief Executive Officer and Designees** ........................................................................................................JIM PRATT
   
   A. Finance and Information Services.................................................AIDAN McSHEFFREY
   B. Human Resources .................................................................GERI MINGURA
   C. Water Resources ........................................................................LESLIE MEYERS
   D. Planning, Strategy, and Sustainability....................................BOBBY OLSEN


7. **Council Chairman's Report** ...................... COUNCIL CHAIRMAN TYLER FRANCIS

8. **President’s Report / Future Agenda Topics** ...... PRESIDENT DAVID ROUSSEAU

The Board may vote during the meeting to go into Executive Session, pursuant to A.R.S. §38-431.03 (A)(3), for the purpose of discussion or consultation for legal advice with legal counsel to the Board on any of the matters listed on the agenda.

The Board may go into Closed Session, pursuant to A.R.S. §30-805(B), for discussion of records and proceedings relating to competitive activity, including trade secrets or privileged or confidential commercial or financial information.

Visitors: The public has the option to attend in-person or observe via Zoom and may receive teleconference information by contacting the Corporate Secretary’s Office at (602) 236-4398. If attending in-person, all property in your possession, including purses, briefcases, packages, or containers, will be subject to inspection.
SAFETY MINUTE: HOLIDAY LIGHTS
SRP BOARD

SARA MCCOY
DIRECTOR, RISK MANAGEMENT
NOVEMBER 6, 2023
HOLIDAY LIGHT HAZARDS: FALLS, OVERLOAD

• Fall Prevention
  o Hang decorations within ground reach
  o Use the right ladder, work safely as a team

• Overload Prevention
  o Dispose of damaged lights or cords
  o Don’t overload circuits, follow watt rating
  o Use certified extension cords
  o Use LED lights
  o Unplug holiday lights when adjusting, before bedtime, and when away
In accordance with a written order and call signed by the President of the Salt River Project Agricultural Improvement and Power District (the District) and filed with Corporate Secretary J.M. Felty, a meeting of the Board of Directors of SRP convened at 9:30 a.m. on Tuesday, September 26, 2023, from the Board Room at the SRP Administration Building, 1500 North Mill Avenue, Tempe, Arizona. This meeting was conducted in-person and via teleconference in compliance with open meeting law guidelines. The District and Salt River Valley Water Users’ Association (the Association) are collectively known as SRP.

President D. Rousseau called the meeting to order, and Corporate Secretary J.M. Felty entered into the minutes the order for the meeting, as follows:

Tempe, Arizona
September 19, 2023

NOTICE OF MEETING

I, David Rousseau, the duly elected and qualified President of the Salt River Project Agricultural Improvement and Power District (the District), do hereby order a meeting of the Board of Directors to be held at 9:30 a.m. on Tuesday, September 26, 2023, from the Board Room at the SRP Administration Building, 1500 North Mill Avenue, Tempe, Arizona. The purpose of the meeting is to discuss, consider, or make decisions on the matters listed on the agenda.

WITNESS my hand this 19th day of September 2023.

/s/ David Rousseau
President

Director R.C. Arnett offered the invocation. Corporate Secretary J.M. Felty led the Pledge of Allegiance.

Board Members present at roll call were President D. Rousseau; and Directors R.C. Arnett, N.R. Brown, M.J. Herrera, K.J. Johnson, A.G. McAfee, R.J. Miller, K.L. Mohr-Almeida, M.V. Pace, J.M. White Jr., L.C. Williams, and S.H. Williams.

Board Members absent at roll call were Directors K.H. O’Brien, P.E. Rovey, and K.B. Woods.

In compliance with A.R.S. §38-431.02, Andrew Davis of the Corporate Secretary's Office had posted a notice and agenda of the meeting of the Board of Directors at the SRP Administration Building, 1500 North Mill Avenue, Tempe, Arizona, at 9:00 a.m. on Friday, September 22, 2023.

Proposed SRP Buy-Through Program

Management’s Final Detailed Proposal

Using a PowerPoint presentation, Brian J. Koch, SRP Treasurer and Senior Director of Financial Services, reviewed the Buy-Through program terms, conditions, limitations, and definition pursuant to Arizona Revised Statutes (A.R.S.) §30-810. He reported that a public power entity that is an agricultural improvement district, as established pursuant to A.R.S. Title 48, Chapter 17, shall offer a Buy-Through program on or before January 1, 2024. Mr. B.J. Koch explained that by statute, this program should include specific terms, conditions, and limitations, including a minimum qualifying load and a maximum amount of program participation. He said that its design must ensure continuation of system reliability while preventing any cost shift to non-participating customers.

Mr. B.J. Koch defined “Buy-Through” as follows: a purchase of electricity by a public power entity at the direction of a particular retail consumer, subject to the terms of the program.

Mr. B.J. Koch reviewed the key activities to-date in the design and approval process of the Buy-Through Program. He discussed the Buy-Through Program webpage on SRPnet.com and reported on how members of the public have been engaged with the ongoing process through the stakeholder engagement meetings held on June 27, 2023 and July 18, 2023. Mr. B.J. Koch stated that the stakeholders were also able to provide statements to the Board and Management at the Special District Board meeting held on August 10, 2023. He introduced Adam S. Peterson, SRP Director of Corporate Pricing.

Continuing, Mr. A.S. Peterson provided an overview of the proposed Buy-Through Program design, detailing how the program allows customers to access power from the market through a trilateral arrangement with SRP, a third-party Generation Service Provider (GSP) and the customer. He discussed how the program allows customers to bypass most of SRP’s Fuel and Purchased Power Adjustment Mechanism (FPPAM) and generation charges and how SRP will provide backup service should the GSP fail to deliver.
Mr. A.S. Peterson provided the following updates since the initial Buy-Through Program proposal: an option was added for SRP to allow accelerated “return to retail” and waitlist to return; line losses were reduced from 4.14% to 3.32%; details were added for the enrollment process; the 50-Megawatt (MW) cap was changed to apply per-account and per-customer; clarifying language was added throughout; E-63 accounts were included; delivery point flexibility was added; and the High Priority Transmission requirement was removed. He reviewed the program design Buy-Through price structure and provided a breakdown of the Buy-Through charge, administrative charge, reserve capacity charge, and the early technology adoption charge.

Mr. A.S. Peterson addressed the issues of energy imbalances, resupplying energy and the price thereof, and FPPAM settlement adjustments. He concluded with a review of the Buy-Through Program implementation schedule.

Messrs. B.J. Koch and A.S. Peterson responded to questions from the Board.

Copies of the handouts provided and PowerPoint slides used in this presentation are on file in the Corporate Secretary's Office and, by reference, made a part of these minutes.

**Christensen Associates’ Review of Management’s Proposal**

Using a PowerPoint presentation, Bruce Chapman of Christensen Associates provided a summary of their final review of SRP’s proposed Buy-Through Program proposal. He reported that Management’s proposal: allows SRP to meet the legislative mandate; provides large customers with a choice of GSP; controls risk; uses market-based pricing in providing supporting generation services; meets design standards; responds to anticipated issues with reasonable plans; is adaptable to future change in regional markets; and is supported by market precedent.

Mr. B. Chapman reviewed the following updates to the Buy-Through Program proposal that were in response to stakeholder inquires or Management initiatives: expanded eligibility to E-63 customers; periodical updates to costs supporting buy-through rate calculations; removal of the high priority export (HPT) requirement for GSP deliveries from California Independent System Operator (CAISO); and increased options facilitating transmission of GSP loads to SRP territory customers. He stated that management’s updated position on expanding eligibility to E-63 customers offers the program to more customers with a little more load and periodic cost updates confirm plans to maintain costing and pricing accuracy. Mr. B. Chapman discussed how removing the HPT status requirement on CAISO transactions involve increased delivery risk but is related to a more balanced view of transmission priority standards and that the expansion of transmission options reflects cost theory and does not appear to increase SRP’s risk.

Mr. B. Chapman reviewed updates to the proposal that were requested but not adopted or supported. He stated that the rejection of the requested revisions was judicious in
terms of avoidance of increased risks and costs and reflected customer preferences. He
concluded by summarizing his review of Management’s proposal with the following
highlights: Management’s proposal 1) allows SRP to meet the legislative mandate; 2) satisfies
design requirements of economic theory and industry practice; and 3) provides
adequate risk management for non-participating customers and SRP.

Mr. B. Chapman responded to questions from the Board.

Copies of the handout provided and PowerPoint slides used in this presentation are on
file in the Corporate Secretary's Office and, by reference, made a part of these minutes.

Board Members P.E. Rovey and K.B. Woods; and Mr. K.J. Lee entered the meeting
during the presentation.

Public Comments

President D. Rousseau announced that the Board would hear statements from the
audience. Corporate Secretary J.M. Felty said no requests to make statements were
received.

Copies of the comments received by interested parties and Management’s responses to
comments received are on file in the Corporate Secretary's Office and, by reference,
made a part of these minutes.

Management’s Request for Approval

Continuing, Mr. B.J. Koch requested Board approval of the Buy-Through Program, as
detailed in the Buy-Through Program Design document provided to the Board, to be
effective January 1, 2024.

On a motion duly made by Director J.M. White Jr., seconded by Director M.V. Pace and
carried, the Board granted approval, as presented.

Corporate Secretary J.M. Felty polled the Directors on Director J.M. White Jr.’s motion
for approval. The vote was recorded as follows:

| YES:          | President D. Rousseau; and Directors R.C. Arnett, N.R. Brown, | (12) |
|              | M.J. Herrera, K.J. Johnson, A.G. McAfee, M.V. Pace,          |     |
|              | P.E. Rovey, J.M. White Jr., L.C. Williams, S.H. Williams, and |     |
|              | K.B. Woods                                                  |     |
| NO:          | Directors R.J. Miller and K.L. Mohr-Almeida                | (2) |
| ABSTAINED:   | None                                                       | (0) |
| ABSENT:      | Director K.H. O’Brien                                       | (1) |

Copies of the PowerPoint slide used in this presentation are on file in the Corporate
Secretary’s Office and, by reference, made a part of these minutes.
There being no further business to come before the Board, the meeting was adjourned at 10:33 a.m.

John M. Felty
Corporate Secretary
MINUTES
BOARD OF DIRECTORS
SALT RIVER PROJECT AGRICULTURAL IMPROVEMENT AND POWER DISTRICT

October 2, 2023

In accordance with a written order and call signed by the President of the Salt River Project Agricultural Improvement and Power District (the District) and filed with Corporate Secretary J.M. Felty, a meeting of the Board of Directors of SRP convened at 9:30 a.m. on Monday, October 2, 2023, from the Board Room at the SRP Administration Building, 1500 North Mill Avenue, Tempe, Arizona. This meeting was conducted in-person and via teleconference in compliance with open meeting law guidelines. The District and Salt River Valley Water Users’ Association (the Association) are collectively known as SRP.

President D. Rousseau called the meeting to order, and Corporate Secretary J.M. Felty entered into the minutes the order for the meeting, as follows:

Tempe, Arizona
September 25, 2023

NOTICE OF MEETING

I, David Rousseau, the duly elected and qualified President of the Salt River Project Agricultural Improvement and Power District (the District), do hereby order a meeting of the Board of Directors to be held at 9:30 a.m. on Monday, October 2, 2023, from the Board Room at the SRP Administration Building, 1500 North Mill Avenue, Tempe, Arizona. The purpose of the meeting is to discuss, consider, or make decisions on the matters listed on the agenda.

WITNESS my hand this 25th day of September 2023.

/s/ David Rousseau
President

Director R.C. Arnett offered the invocation. Corporate Secretary J.M. Felty led the Pledge of Allegiance.

Board Members present at roll call were President D. Rousseau; and Directors R.C. Arnett, N.R. Brown, M.J. Herrera, K.J. Johnson, A.G. McAfee, R.J. Miller, K.L. Mohr-Almeida, K.H. O’Brien, M.V. Pace, P.E. Rovey, J.M. White Jr., L.C. Williams, and S.H. Williams.

Board Member absent at roll call was Director K.B. Woods.

Also present were District Vice President C.J. Dobson; Governor L.D. Rovey of the

In compliance with A.R.S. §38-431.02, Andrew Davis of the Corporate Secretary’s Office had posted a notice and agenda of the meeting of the Board of Directors at the SRP Administration Building, 1500 North Mill Avenue, Tempe, Arizona, at 9:00 a.m. on Friday, September 29, 2023.

Safety Minute

Using a PowerPoint presentation, Sara C. McCoy, SRP Director of Risk Management, provided a safety minute regarding hearing loss prevention.

Copies of the PowerPoint slides used in this presentation are on file in the Corporate Secretary’s Office and, by reference, made a part of these minutes.

Ms. S.C. McCoy left the meeting.

Memorial Resolution for Association Vice President John Hoopes

President D. Rousseau stated that a Memorial Resolution had been prepared in tribute to Association Vice President John Hoopes. Corporate Secretary J.M. Felty read aloud the Memorial Resolution for John R. Hoopes.

On a motion duly made by Director J.M. White Jr., seconded by Director S.H. Williams and carried, the following resolution was ordered to be spread upon the minutes of this meeting:
MEMORIAL RESOLUTION
John R. Hoopes

WHEREAS, John R. Hoopes, a loyal and respected servant of the Salt River Project ("SRP") and

WHEREAS, John was elected in 1997 to the Council, ultimately serving as its Chairman, and was elected in May 2010 as the Vice President of the Board.

WHEREAS, during his 26 years of dedicated service, John performed his duties in an exemplary manner and to the highest professional standards, and

WHEREAS, by virtue of his personal integrity and unfailing devotion to duty, John earned the respect and admiration of management, the electors and shareholders of SRP, and the members of the SRP Boards and Councils;

NOW, THEREFORE, BE IT HEREBY RESOLVED, that this Memorial in tribute to John R. Hoopes be spread upon the minutes of this meeting as an expression of the Board’s highest regard for John and sorrow at his passing, and

BE IT FURTHER RESOLVED, that a copy of this Memorial be presented to the family of John R. Hoopes.

BY ORDER OF THE SRP BOARDS this 2nd day of October 2023.

Corporate Secretary J.M. Felty polled the Directors on Director J.M. White Jr.’s motion to approve the resolution. The vote was recorded as follows:


NO: None

ABSTAINED: None

ABSENT: Director K.B. Woods

Consent Agenda

President D. Rousseau requested a motion for Board approval of the Consent Agenda, in its entirety, as presented.
On a motion duly made by Director R.C. Arnett and seconded by Director S.H. Williams, the Board unanimously approved and adopted the following item on the Consent Agenda:

A. Approval of the minutes for the meetings of August 29, August 30, and September 11, 2023

B. Approval of the Monthly Cash Statement for August 2023 (recommended by the Finance and Budget Committee on September 21, 2023)

C. Approval to sell 1.42 acres of excess land located in Page, Arizona to the current licensed user of the property (recommended by the Facilities and Support Services Committee on September 21, 2023). The resolution reads as follows:

RESOLUTION OF THE BOARD OF DIRECTORS OF SALT RIVER PROJECT AGRICULTURAL IMPROVEMENT AND POWER DISTRICT AUTHORIZING THE SALE OF APPROXIMATELY 1.42 ACRES OF DISTRICT OWNED EXCESS LAND, LOCATED IN COCONINO COUNTY, ARIZONA

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE SALT RIVER PROJECT AGRICULTURAL IMPROVEMENT AND POWER DISTRICT AS FOLLOWS:

The sale of excess land identified in "Exhibit A" attached hereto ("Property") by the Salt River Project Agricultural Improvement and Power District (the "District") to America First Credit Union, a federally chartered credit union ("Buyer"), is hereby approved; and

The President, David Rousseau, and Vice President, Christopher J. Dobson, of the District be, and each is hereby authorized and directed, in the name and on behalf of the District, to execute and deliver a Special Warranty Deed ("Deed") for the Property; and

The Senior Director, Manager, and Staff of the Land Department are hereby authorized and directed, in the name and on behalf of the District, to execute and deliver any and all documents, except the Deed, which are necessary or advisable to fulfill the purpose and intent of the Board approved terms and conditions of the Agreement, and carry into effect the intent of this Resolution.
EXHIBIT A

LEGAL DESCRIPTION OF THE REAL PROPERTY

Tract 40 N-20-1 of that minor subdivision, Instrument #3975015, records of Coconino County, Arizona.

A portion of Section 5, Township 40 North, Range 9 East of the Gila and Salt River Base and Meridian, Coconino County, Arizona, further described as follows:

COMMENCING at the Southwest corner of Section 32, Township 41 North, Range 9 East of the Gila and Salt River Base and Meridian, Coconino County, Arizona, being a BLM brass cap stamped "1959";

THENCE South 35° 16' 04" West, a distance of 577.31 feet (South 35° 15' 54" West, a distance of 577.18 feet record per Docket 1047, Page 18 hereinafter referred to as record) to the Southerly right-of-way line of Haul Road, a found brass cap in concrete with no markings, and the POINT OF BEGINNING;

THENCE along a 1,101.92 foot radius curve concave Southwesterly, a radial from this curve bears South 04° 30’ 53” West (South 04° 30’ 24” West record) through a central angle of 20° 35’ 31”, an arc distance of 396.03 feet to a set 1/2 inch rebar with brass cap stamped "SRP LS 32224";

THENCE South 27° 31’ 13” West, a distance of 147.52 feet to a set 1/2 inch rebar with brass cap stamped "SRP LS 32224";

THENCE South 50° 47’ 08” West, a distance of 153.00 feet to a set 1/2 inch rebar with brass cap stamped "SRP LS 32224" on the Easterly line of Doland Sports Complex per Case 4, Map 140 and Book 9, Page 53;

THENCE North 30° 35’ 52” West (North 30° 36’ 04” West record), a distance of 381.35 feet along the Easterly line of said Doland Sports Complex (City of Page Ranchette Estates Unit V record) to the POINT OF BEGINNING.

Containing 1.42 acres, more or less.

END OF DESCRIPTION
D. Approval to amend the Papago Park Center, Inc. (PPC) Ground Lease and mutually terminate the PPC Ground Sublease of 1667 North Priest Drive, Tempe, Arizona (recommended by the Facilities and Support Services Committee on September 21, 2023). The resolution reads as follows:


NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE SALT RIVER PROJECT AGRICULTURAL IMPROVEMENT AND POWER DISTRICT AS FOLLOWS:

The amendment of the Amended and Restated Papago Park Center Ground Lease (“Master Ground Lease”) by the Salt River Project Agricultural Improvement and Power District (the "District" or “Lessor”) and Papago Park Center, Inc. (“PPC” or “Lessee”) and the mutual termination of the Ground Sublease (“Sublease”) of the property located at 1667 N. Priest Dr. by the District as Assignee and PPC as the Landlord, is hereby approved; and

The President, David Rousseau, and Vice President, Christopher J. Dobson, and the Senior Director of the Land Department of the District be, and each is hereby authorized and directed, in the name and on behalf of the District, to execute and deliver any and all documents, which are necessary or advisable to fulfill the purpose and intent of the Board approval, and carry into effect the intent of this Resolution.

Corporate Secretary J.M. Felty polled the Directors on Director R.C. Arnett’s motion to approve the Consent Agenda, in its entirety. The vote was recorded as follows:


NO: None (0)

ABSTAINED: None (0)

ABSENT: Director K.B. Woods (1)

Copies of the handouts distributed are on file in the Corporate Secretary’s Office and, by reference, made a part of these minutes.
Report of the Compensation Committee Meeting of September 19, 2023

Director R.C. Arnett reminded the Board that in 2012, the Board had amended the SRP Employees’ Retirement Plan (the Plan) and the SRP Employees’ 401(k) Plan (401(k) Plan) documents to name the Compensation Committee as fiduciary of the Plan and 401(k) Plan and to authorize the Committee to make all necessary investment decisions for the Plan and 401(k) Plan. He reported that Management, at the Compensation Committee meeting of September 19, 2023, received authorization to reallocate assets to reduce the Opportunistic Platform from 15% to 10% and increase the Liability Driven Investment mandate from 25% to 30%; and 2) authorizing the Treasurer or a designee to enter into the investment management agreements and other necessary documents, as needed, related to the reallocation of assets.

Continuing, Director R.C. Arnett reported that the Compensation Committee, at the meeting of September 19, 2023, also granted approval of the increase in the investment management fee of up to 0.75% to be charged by Marshall Wace, a global long/short equity manager within the opportunistic platform of the Plan, effective October 1, 2023; and authorized the Treasurer or a designee to enter into the investment management agreements and other necessary documents, as needed, related to the new investment management fee.

Copies of the handouts distributed are on file in the Corporate Secretary’s Office and, by reference, made a part of these minutes.

Director K.B. Woods entered the meeting during the report. Mmes. C.C. Burke and N.J. Mullins left the meeting during the report.

Report of the Power Committee Meeting of September 21, 2023

Director L.C. Williams reported that Management, at the Power Committee meeting of September 21, 2023, requested approval of the Integrated System Plan (ISP) System Strategies and any non-material changes to the Strategies that may be necessary from time-to-time. He stated that the ISP System Strategies support the key findings of the 2021 to 2023 ISP process.

On a motion duly made by Director L.C. Williams, seconded by Director R.C. Arnett and carried, the Board granted approval, as recommended by the Power Committee.

Corporate Secretary J.M. Felty polled the Directors on Director L.C. Williams’ motion for approval. The vote was recorded as follows:

<table>
<thead>
<tr>
<th>YES:</th>
<th>President D. Rousseau; and Directors R.C. Arnett, M.J. Herrera, K.J. Johnson, M.V. Pace, P.E. Rovey, J.M. White Jr., L.C. Williams, S.H. Williams, and K.B. Woods</th>
</tr>
</thead>
<tbody>
<tr>
<td>ABSTAINED:</td>
<td>Directors N.R. Brown and A.G. McAfee</td>
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</tbody>
</table>
Sandy Bahr, Ana Gorla, Rafael Morales, and Alondra Morales Sanchez of Sierra Club entered the meeting during the report.

Report of the Facilities and Support Services Committee
Meeting of September 21, 2023

Closed Session

At 10:25 a.m., President D. Rousseau called for a closed session of the Board of Directors, pursuant to A.R.S. §30-805(B), for the Board to consider matters relating to competitive activity, including trade secrets or privileged or confidential commercial or financial information, with respect to a request for approval to sell two 900 Megahertz (MHz) licenses issued by the Federal Communications Commission.

Mmes. E.J. Roelfs and J.R. Schuricht; Beth Bremer of Strata Clean Energy; Sandy Bahr, Ana Gorla, Rafael Morales, Alondra Morales Sanchez, and Patrick Woolsey of Sierra Club; Murphy Bannerman, George Cavros, Emily Doerfler, Linda Fitzpatrick, and Alexander Routhier of WRA; Caryn Potter of SWEEP; Autumn Johnson of Tierra Strategy; Tammi Watson of CAP; and Diane Brown of Arizona PIRG left the meeting.


Diane Brown of Arizona PIRG; Tammi Watson of CAP; Autumn Johnson of Tierra Strategy; and Alexander Routhier of WRA entered the meeting.

Update on Upcoming Proposed Revenue Bond Sale

Using a PowerPoint presentation, Aidan J. McSheffrey, SRP Associate General Manager and Chief Financial Executive, stated that the purpose of the presentation was to provide an update regarding the upcoming proposed revenue bond sale, including the need for the sale and potential parameters approval process.

Mr. A.J. McSheffrey reviewed the projected capital expense by segment for Fiscal Year 2024 (FY24) and Financial Plan 2024 (FP24) and noted that continued SRP growth will require more financing. He provided an overview of the current bond sale resolution
process and compared it to the parameters approval process. He stated that the parameters process allows for robust and less time-sensitive discussion, creates pricing day flexibility to mitigate market risks, and provides certainty for investors and SRP.

Next, Mr. A.J. McSheffrey discussed the five parameters: par amount, true interest cost, final maturity, redemption price, and underwriter’s compensation. He explained that a majority of public power issuers have evolved to using parameters resolutions and that investor-owned utilities also delegate execution to management.

Finally, Mr. A.J. McSheffrey reviewed the takeaways, provided a calendar for the upcoming bond sale under parameters approach, introduced the bond sale team, and compared the Accumulated Adjustments Account (AAA) tax-exempt and taxable Municipal Market Data (MMD) rates.

Mr. A.J. McSheffrey responded to questions from the Board.

Copies of the PowerPoint slides used in this presentation are on file in the Corporate Secretary’s Office and, by reference, made a part of these minutes.

Mr. K.J. Cormier; and Alexander Routhier of WRA left the meeting during the presentation.

Report on Current Events by the General Manager and Chief Executive Officer and Designees

Using a PowerPoint presentation, Jim M. Pratt, SRP General Manager and Chief Executive Officer, reported on a variety of federal, state, and local topics of interest to the District. He reported that the employee recognition dinner would be taking place over the weekend.

Director M.J. Herrera; Council Member M.R. Mulligan; Ms. A.N. Bond-Simpson; Mr. D.S. Roach; and Diane Brown of Arizona PIRG left the meeting during the presentation.

Status of Power System

Using a PowerPoint presentation, John D. Coggins, SRP Associate General Manager and Chief Power System Executive, provided an update on the SRP’s power system. He provided a summary of September operations and reviewed the Monsoon storm damage from September 12, 2023.

Continuing, Mr. J.D. Coggins provided an update on the Coronado Generating Station Split Selective Catalytic Reduction (SCR) for Unit 1. He concluded with a timelapse of Parlett Substation construction and a newsreel covering SRP’s annual aerial line inspections.
Copies of the PowerPoint slides used in this presentation are on file in the Corporate Secretary’s Office and, by reference, made a part of these minutes.

**Status of Financial and Information Services**

Using a PowerPoint presentation, Aidan J. McSheffrey, SRP Associate General Manager and Chief Financial Executive, reviewed the combined net revenue (CNR) for the fiscal year-to-date, the financial highlights for the month of August, and the status of collections through August 2023 within the Fuel and Purchased Power Adjustment Mechanism (FPPAM). He reviewed the preliminary retail energy sales for FY24 and provided a summary of wholesale net revenue for August.

Copies of the handout distributed and PowerPoint slides used in this presentation are on file in the Corporate Secretary’s Office and, by reference, made a part of these minutes.

**Status of Customer Operations**

Using a PowerPoint presentation, Rudy Navarro, Interim SRP Associate General Manager and Chief Customer Executive, provided an update on customer operations. He reviewed the Summer 2023 Heat Moratorium and provided the related statistics and debt segment comparisons between June and September 2023. He concluded with a review of SRP’s payment arrangements, paydown accounts, community partnerships, and next steps.

Copies of PowerPoint slides used in this presentation are on file in the Corporate Secretary’s Office and, by reference, made a part of these minutes.

**Status of Water Resources**

Using a PowerPoint presentation, Leslie A. Meyers, SRP Associate General Manager and Chief Water Resources Executive, provided an update on water resources. She provided an update on the Granite Reef Underground Storage Project (GRUSP) and potential delivery channel improvements.

Copies of PowerPoint slides used in this presentation are on file in the Corporate Secretary’s Office and, by reference, made a part of these minutes.

Mr. T.E. Skarupa entered the meeting.
Reservoir and Weather Report

Using a PowerPoint presentation, Tim E. Skarupa, SRP Manager of Watershed Management, reviewed the cumulative watershed precipitation outlook from October 2022 to September 2023 and rainfall for Monsoon Season 2023-to-date. He reviewed the reservoir storage data for the Salt River, Verde River, C.C. Cragin Reservoir, Lake Pleasant, San Carlos Reservoir, and Upper and Lower Colorado River Basin systems as of September 28, 2023. Mr. T.E. Skarupa discussed the surface runoff and pumping data for September 2023 and year-to-date.

Mr. T.E. Skarupa concluded by providing a seven-day precipitation forecast and a review of the seasonal percent of normal precipitation outlook from November 2023 through January 2024.

Copies of PowerPoint slides used in this presentation are on file in the Corporate Secretary’s Office and, by reference, made a part of these minutes.

Council Chairman’s Report

There was no report from Council Chairman T.M. Francis.

President’s Report/Future Agenda Topics

President D. Rousseau asked the Board if there were any future agenda topics. None were requested. Director R.J. Miller requested a discussion about ways to increase voter participation in SRP Elections.

There being no further business to come before the Board, the meeting was adjourned at 11:57 a.m.

John M. Felty
Corporate Secretary
## Statement of Cash Received and Disbursed

### September 2023

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<thead>
<tr>
<th>Fund Balance Beginning of Period</th>
<th>District</th>
<th>Association</th>
<th>Total Month</th>
<th>Year-to-Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>$ 628,437</td>
<td>$ 421</td>
<td>$ 628,858</td>
<td>$ 697,781</td>
<td></td>
</tr>
</tbody>
</table>

### Cash Receipts:

- **Electric Revenues**: 463,791
- **Water Revenues**: --- 490
- **Electric Customer Deposits**: 3,658
- **Reimbursement on Joint Ownership Projects**: 7,095
- **Construction Contributions and Advances**: 9,226
- **Proceeds from Bond Sales**: 7,095
- **Proceeds from Other Borrowings**: 9,226
- **Transfers from Segregated Funds**: 7,095
- **Sales Tax Collected**: 30,294
- **Other Cash Receipts**: 9,936

<table>
<thead>
<tr>
<th>Total Cash Receipts</th>
<th>District</th>
<th>Association</th>
<th>Total Month</th>
<th>Year-to-Date</th>
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<tbody>
<tr>
<td>$ 524,000</td>
<td>463,791</td>
<td>463,791</td>
<td>1,807,333</td>
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</tbody>
</table>

### Fund Transfers - Net

<table>
<thead>
<tr>
<th>District</th>
<th>Association</th>
<th>Total Month</th>
<th>Year-to-Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>(3,990)</td>
<td>3,990</td>
<td>---</td>
<td>---</td>
</tr>
</tbody>
</table>

### Cash Disbursements:

- **Purchased Power and Fuel**: 171,651
- **Operations and Maintenance**: 68,676
- **Employee Payroll and Payroll Taxes**: 49,533
- **Purchased Inventory**: 26,720
- **Cash Segregated for -
  - Bond Interest**: 17,198
- **Bond Principal**: 9,494
- **Other Debt - Principal Repayment**: 2,175
- **Capital Expenditures**: 50,668
- **Advances on Joint Ownership Projects**: 2,005
- **Transfers to Segregated Funds**: 2,005
- **In Lieu and Ad Valorem Taxes**: 41,510
- **Sales Tax Remitted**: 41,510
- **Margin and Collateral Disbursed - Net**: (3,396)

<table>
<thead>
<tr>
<th>Total Cash Disbursements</th>
<th>District</th>
<th>Association</th>
<th>Total Month</th>
<th>Year-to-Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>$ 436,234</td>
<td>41,510</td>
<td>41,510</td>
<td>138,864</td>
<td></td>
</tr>
</tbody>
</table>

### Fund Balance End of Period

<table>
<thead>
<tr>
<th>District</th>
<th>Association</th>
<th>Total Month</th>
<th>Year-to-Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>$ 712,213</td>
<td>$ 625</td>
<td>$ 712,838</td>
<td>$ 712,838</td>
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</table>
## Cash Position
### September 2023

<table>
<thead>
<tr>
<th>Composition of Funds Balance</th>
<th>District</th>
<th>Association</th>
<th>Total</th>
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<tr>
<td>Cash and Cash Equivalents</td>
<td>$435,998</td>
<td>$625</td>
<td>$436,623</td>
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<tr>
<td>Other Temporary Investments</td>
<td>157,490</td>
<td>---</td>
<td>157,490</td>
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<tr>
<td>Other Non-Current Investments</td>
<td>118,725</td>
<td>---</td>
<td>118,725</td>
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<tr>
<td>General Fund</td>
<td>712,213</td>
<td>625</td>
<td>712,838</td>
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</table>

<table>
<thead>
<tr>
<th>Segregated Funds</th>
<th>District</th>
<th>Association</th>
<th>Total</th>
</tr>
</thead>
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<tr>
<td>Electric System Debt Reserve Fund</td>
<td>80,598</td>
<td>---</td>
<td>80,598</td>
</tr>
<tr>
<td>Debt Service Fund</td>
<td>138,658</td>
<td>---</td>
<td>138,658</td>
</tr>
<tr>
<td>Rate Stabilization Fund</td>
<td>---</td>
<td>---</td>
<td>---</td>
</tr>
<tr>
<td>Nuclear Decommissioning Fund</td>
<td>599,761</td>
<td>---</td>
<td>599,761</td>
</tr>
<tr>
<td>Post-Retirement Benefits Fund</td>
<td>1,139,053</td>
<td>---</td>
<td>1,139,053</td>
</tr>
<tr>
<td>Construction Fund</td>
<td>---</td>
<td>---</td>
<td>---</td>
</tr>
<tr>
<td>RHCP Fund</td>
<td>12,015</td>
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<td>12,015</td>
</tr>
<tr>
<td>HHCP Fund</td>
<td>8,168</td>
<td>---</td>
<td>8,168</td>
</tr>
<tr>
<td>SPRHCP Fund</td>
<td>3,438</td>
<td>---</td>
<td>3,438</td>
</tr>
<tr>
<td>Four Corners Mine Reclamation Trust</td>
<td>13,855</td>
<td>---</td>
<td>13,855</td>
</tr>
<tr>
<td>Other Special Funds</td>
<td>1,286</td>
<td>---</td>
<td>1,286</td>
</tr>
<tr>
<td><strong>Total Segregated Funds</strong></td>
<td>$1,996,832</td>
<td>---</td>
<td>$1,996,832</td>
</tr>
</tbody>
</table>
Revisions to Generator Interconnection Procedures and Generator Interconnection Agreement

Proposed Reforms and Stakeholder Engagement

Proposed SRP Generator Interconnection Procedures
Proposed SRP Generator Interconnection Agreement
Joint Participant Project Generator Interconnection Agreements
Stakeholder Comments
Stakeholder Meeting Presentations
Stakeholder Questions and Answers
Other Documents
Salt River Project Agricultural Improvement and Power District

Standard Large Generator Interconnection Procedures (LGIP)
(Applicable to Generating Facilities that exceed 20 MW)
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Section 1 Definitions

Capitalized terms in these Standard Large Generator Interconnection Procedures shall bear this GIP shall have the meaning set forth herein or in Part I of the Tariff. Where meanings conflict, the meaning herein shall prevail.

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.

Application Fee shall mean a non-refundable payment of five-thousand dollars ($5,000).

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, without limitation, of any Governmental Authority.

Applicable Reliability Standards shall mean the North American Electric Reliability Corporation (NERC) mandatory reliability standards, the Western Electric Coordinating Council (WECC) regional criteria and the Balancing Authority procedures and requirements.

Balancing Authority as defined by the NERC Reliability Standards for the Bulk Electric Systems of North America shall mean, as such definition may be amended from time to time by NERC, the responsible entity that integrates resource plans ahead of time, maintains load interchange-generation balancing within a Balancing Authority Area, and supports interconnection frequency in real time.

Balancing Authority Area as defined by the NERC Reliability Standards for the Bulk Electric Systems of North America shall mean the collection of generation, transmission and loads within the metered boundaries of the Balancing Authority. The Balancing Authority maintains load resource balance within this area as such definition may be amended from time to time by NERC.

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

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

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

Commercial Operation Date of a unit shall mean the date on which the Transmission Provider verified the Maximum Capacity at the Point of Interconnection.

Clustering shall mean the process whereby a group of one or more Interconnection Requests are studied together, instead of serially, for the purpose of conducting the Interconnection System Impact Study and Network Upgrade(s) Facilities Study.

Cluster Request Window shall mean the time period set forth in Section 3.2 of this GIP.

Cluster System Impact Study shall mean a study that evaluates the impact of the proposed interconnections in a Cluster Request Window on the safety and reliability of Transmission Provider’s Transmission System and, if applicable, an Affected System. The Cluster System Impact Study shall identify and detail the system impacts that would result if the Generating Facilities within the Cluster Request Window were interconnected without project modifications and/or system modifications and focusing on the Adverse System Impacts or to study potential impacts, including but not limited to those identified in the Scoping Meeting as described in this GIP.

Cluster System Impact Study Agreement shall mean the form of agreement contained in Appendix 3.1 to this GIP for conducting the Cluster System Impact Study.

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

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

Commercial Readiness Demonstration shall have the meaning set forth in Section 3.3.1(vii) of this GIP and in SRP’s Business Practices posted on OASIS.

Commercial Readiness Milestone shall mean payments to Transmission Provider throughout the Interconnection Study process as set forth in Section 3.5 of this GIP and in SRP’s Business Practices posted on OASIS.

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, Shared Network Upgrade(s) and Network Upgrades Upgrade(s) 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 or, Shared Network Upgrade(s) or Network Upgrades Upgrade(s) and/or costs and timing.

Critical Energy Infrastructure Information shall mean specific engineering, vulnerability, or detailed design information about proposed or existing critical infrastructure that: (a) relates details about the production, generation, transportation, transmission, or distribution of energy; (b) could be useful to a person in planning an attack on critical infrastructure; (c) is exempt from mandatory disclosure under the Freedom of Information Act, 5 U.S.C. § 552; and (d) does not simply give the general location of the critical infrastructure.

Customer Engagement Window shall mean the time period set forth in Section 3.4 of this GIP.

Decision Point I shall mean the period beginning when the Transmission Provider tenders the Cluster System Impact Study report to the Interconnection Customer, including cost estimates for upgrades and concluding fifteen (15) Calendar Days after tendering the Cluster System Impact Study report.

Decision Point II shall mean the period beginning when the Transmission Provider tenders the Network Upgrade(s) Facilities Study report to Interconnection Customer, including costs estimates for upgrades, and concluding fifteen (15) Calendar Days after tendering the Network Upgrade(s) Facilities Study report.

Deposit in Lieu of Commercial Readiness as explained further in SRP’s Business Practice posted on OASIS, shall mean a deposit of cash or an irrevocable letter of credit in the amount of seventy-five thousand dollars ($75,000) per MW of requested Generating Facility Capacity not to exceed seven million five hundred thousand dollars ($7,500,000). The Deposit in Lieu of Commercial Readiness will be applied toward future construction costs and Network Upgrade(s). If Interconnection Customer withdraws or is withdrawn pursuant to Section 3.9.1 of this GIP, the Deposit in Lieu of Commercial Readiness will be held as collateral until Interconnection Customer pays its Withdrawal Penalty.

Deposit in Lieu of Site Control as explained further in SRP’s Business Practice posted on OASIS, shall mean a deposit of cash or an irrevocable letter of credit in the amount of five-hundred-thousand dollars ($500,000) that Interconnection Customers can pay if the Interconnection Customer is unable to demonstrate Site Control due to regulatory limitations. The Deposit in Lieu of Site Control will be applied toward future construction costs and Network Upgrade(s).

Default shall mean the failure of a Breaching Party to cure its Breach in accordance with Article 19 of the Standard Large Generator Interconnection Agreement the GIA.

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. 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 all Parties.

**Effective Date of GIP** shall mean the date of SRP Board approval of the GIP reform as published on SRP's OASIS.

**Electric Storage Resource** shall mean a resource capable of receiving electric energy from the grid or onsite generation and storing it for later injection of electric energy back to the grid.

**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.

**Engineering, Procurement, and Construction Agreement** shall mean an agreement that authorizes the Transmission Provider to begin engineering and procurement of long lead time items and construction necessary for the establishment of the interconnection in order to advance the implementation of the Interconnection Request.

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

**Existing Generating Facility** shall mean a Generating Facility that is currently in-service or under construction with an unsuspended GIA.


**FERC** shall mean the Federal Energy Regulatory 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 neither includes does not include acts of negligence, or intentional wrongdoing nor economic hardship 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. A Generating Facility may consist of one or more generating unit(s) and/or storage device(s) which can operate independently and be brought online or taken offline individually.

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

**Generating Facility Modification** shall mean modification to the Existing Generating Facility, including comparable replacement of only a portion of the equipment at the Existing Generating Facility.

**Generation Replacement** shall mean replacement of one or more generating units and/or storage devices at an Existing Generating Facility with one or more new generating units and/or storage devices at the same Point of Interconnection as those being decommissioned and disconnected. The replacement facility may be of a different fuel type or a combination of different fuel types, but in no case shall increase the total aggregate authorized MW level stated in the interconnection agreement or, if the Existing Generating Facility does not have a GIA, the authorized nameplate MW rating capacity of the Existing Generating Facility.

**Generator Replacement Coordinator** shall mean the independent entity selected pursuant to the terms of Appendix 4 to this GIP.

**Generator Replacement Interconnection Facilities Study** shall mean a study to determine a list of facilities to grant an Interconnection Customer's request to interconnect a Replacement Generating Facility, the cost of those facilities, and the time required to interconnect those facilities. The scope of the study is set forth in Section 3.11.7 of the GIP.

**Generator Replacement Study Agreement** shall mean the form of agreement contained in Appendix 3.6 to this GIP for conducting the Generator Replacement Study.

**GIA** shall mean the form of interconnection agreement applicable to an Interconnection Request pertaining to a Generating Facility that is included in the Transmission Provider's Tariff.

**GIP** shall mean the interconnection procedures applicable to an Interconnection Request pertaining to a Generating Facility that are included in the Transmission Provider's Tariff.

**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, including those practices as required by the Federal Power Act section 215(a)(4).

**Governmental Authority** shall mean any federal, state, local or other governmental regulatory or administrative agency or its staff, 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 Transmission Provider’s Interconnection Facilities will be energized and back feed power will be available to Interconnection Customer.

**Interconnection Customer** shall mean an entity, including the Transmission Provider, Transmission Owner or any of the Affiliates or subsidiaries of either, or representative of an Existing Generating Facility, that proposes to interconnect its Generating Facility or Replacement 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.

**Interconnection Facilities Study(ies)** shall mean a study conducted by the Transmission Provider or its third-party consultant to determine a list of facilities (including Transmission Provider’s Interconnection Facilities and Network Upgrades) as identified in the Interconnection System Impact Study, the cost of those facilities, and the time required to interconnect the Generating Facility with the Transmission Provider’s Transmission System. The scope of the study is defined in Section 7 of the Standard Large Generator Interconnection Procedures of this GIP.

**Interconnection Facilities Study Agreement** shall mean the form of agreement contained in Appendix 3 of the Standard Large Generator Interconnection Procedures for conducting the Interconnection Facilities Study.
Interconnection Request shall mean an Interconnection Customer’s request, in the form of Appendix 1 to the Standard Large Generator Interconnection Procedures, 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, or to a Replacement 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 the Transmission Provider to receive electric energy and capacity from the Generating Facility at the Point of Interconnection, pursuant to the terms of the Standard Large Generator Interconnection Agreement and, if applicable, the Transmission Provider’s Tariff. Interconnection Service does not convey transmission service.

Interconnection Study shall mean any of the following studies: the Interconnection System Impact Study, the Generator Replacement Interconnection Facilities Study described in the Standard Large Generator Interconnection Procedures, the Interconnection System Impact Study, the Network Upgrade(s) Facilities Study, the Point of Interconnection Facilities Study, the Reliability Assessment Study, the Replacement Impact Study, the Transitional Facilities Study, and the Transitional System Impact Study described in this GIP and in SRP's Business Practices posted on OASIS.

Interconnection System Impact Study shall mean an engineering study completed prior to the Effective Date of GIP that evaluates the impact of the proposed interconnection on the safety and reliability of Transmission Provider’s Transmission System and, if applicable, an Affected System. The study shall identify and detail the system impacts that would result if the Generating Facility were interconnected without project modifications or system modifications, focusing on the Adverse System Impacts 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.

Inverter-Based Resource shall mean any technology that requires an inverter to convert direct current (DC) electricity into alternating current (AC) electricity and is directly connected to the bulk power system. An Inverter-Based Resource may be a Generating Facility and/or Electric Storage Resource.

Joint Participation Project shall mean those transmission facilities that SRP has an ownership interest in with other entities.

Load-Serving Entity shall mean any entity who secures energy and Transmission Service (and related interconnection operations services) to serve the electrical demand and energy requirements of its end-use customers.

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 Interconnection System Impact Study.

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

Large Generating Facility shall mean a Generating Facility having a Requested Capacity In-Service 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 (GIA) 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 (1) modification to an Interconnection Request in the queue that have a material impact on the cost or timing of any other Interconnection Request with a later queue priority date, or equal Queue Position; or (2) a planned modification to an Existing Generating Facility that is undergoing evaluation for a Generating Facility Modification or Generation Replacement, and that has a material impact on the Transmission System, as compared to the impacts of the Existing Generating Facility prior to the modification or replacement. The evaluation may consist of various analyses, including but not limited to, power flow, transient and post-transient stability, power factor, and a short circuit analysis.

Maximum Capacity shall mean the maximum megawatt capacity that the Generating Facility will generate at the Point of Interconnection as verified by the Transmission Provider.

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

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

Network Upgrade(s) 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.

Network Upgrade(s) Facilities Study shall mean a study conducted by Transmission Provider or its third-party consultant to determine a list of facilities (including Transmission Provider's Interconnection Facilities and Network Upgrade(s) as identified in the Cluster System Impact Study), the cost of those facilities, and the time required to interconnect the Generating Facility with Transmission Provider's Transmission System. The scope of the study is set forth in Section 8 of this GIP.

Network Upgrade(s) Facilities Study Agreement shall mean the form of agreement contained in Appendix 3.3 of this GIP for conducting the Network Upgrade(s) Facilities Study.
**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.

**Open Access Same-Time Information System** (OASIS) shall mean the information system posted on the internet as maintained by the Transmission Provider.

**Operating Agent** shall mean SRP acting on behalf of itself and the participants of a Joint Participation Project.

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

**Permissible Technological Advancement** shall be those technological advancements described in SRP’s Business Practice posted on OASIS.

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

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

**Provisional Interconnection Service** shall mean Interconnection Service provided by Transmission Provider associated with interconnecting the Interconnection Customer’s Generating Facility to Transmission Provider’s Transmission System and enabling that Transmission System to receive electric energy and capacity from the Generating Facility at the Point of Interconnection, pursuant to the terms of the Provisional Large Generator Interconnection Agreement and, if applicable, the Tariff.

**Provisional Large Generator Interconnection Agreement** shall mean the interconnection agreement for Provisional Interconnection Service established between Transmission Provider and/or the Transmission Owner and the Interconnection Customer. This agreement shall take the form of the Large Generator Interconnection Agreement, modified for provisional purposes.

**Point of Interconnection Facilities Study** shall mean an interconnection study, done in parallel with the Cluster System Impact Study, that will determine the estimated cost and time to construct Transmission Provider’s Interconnection Facilities. The Point of Interconnection Facilities Study is set forth in Section 8 of this GIP.

**Point of Interconnection Facilities Study Agreement** shall mean the form of agreement contained in Appendix 3.2 of this GIP for conducting the Point of Interconnection Facilities Study.

**Point of Interconnection Costs** are defined as those costs of Transmission Provider's Interconnection Facilities and any common facilities use fee(s).

**Pre-Study Period** shall mean the time period set forth in Section 3.4.1 of this GIP.

**Queue Position** shall mean the order of a valid Interconnection Request, relative to all other pending valid Interconnection Requests, that is established based upon the date and time of receipt of the valid Interconnection Request by the Transmission Provider and is validated in accordance with Section 3 of this GIP.
Readiness Milestone 0 (M0) shall mean a payment of cash by Interconnection Customer to Transmission Provider for the Application Fee, and Study Deposit as provided for in this GIP and in SRP’s Business Practices posted on OASIS.

Readiness Milestone 1 (M1) as provided for in this GIP and in SRP’s Business Practices posted on OASIS, shall mean a payment of cash or an irrevocable letter of credit by Interconnection Customer to Transmission Provider in an amount equal to thirty percent (30%) of the cost allocation for the costs of the Network Upgrade(s), and the Point of Interconnection costs as estimated in the Cluster System Impact Study and Point of Interconnection Facilities Study. M1 payments may be zero but cannot be a negative number.

Readiness Milestone 2 (M2) as provided for in this GIP and in SRP’s Business Practices posted on OASIS, shall mean a payment of cash or an irrevocable letter of credit by Interconnection Customer to Transmission Provider in an amount equal to sixty percent (60%) of the cost allocation for the costs of the Network Upgrade(s) and Point of Interconnection costs to the extent not already paid in M1.

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 or this GIP or the GIA, 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.

Reliability Assessment Study shall mean an engineering study that evaluates the impact of a proposed Generation Replacement on the reliability of the Transmission System during the time period between the date that the Existing Generating Facility ceases commercial operations and the Commercial Operation Date of the Replacement Generating Facility.

Replacement Generating Facility shall mean a Generating Facility that replaces an Existing Generating Facility, or a portion thereof, at the same Point of Interconnection pursuant to Section 3.11 of this GIP.

Replacement Impact Study shall mean an engineering study that evaluates the impact of a proposed Generation Replacement on the reliability of the Transmission System.

Requested In-Service Date shall mean the Interconnection Customer’s requested In-Service Date.

Requested Initial Synchronization Date shall mean the Interconnection Customer’s requested Initial Synchronization Date.

Requested Maximum Capacity shall mean the Interconnection Customer’s requested total Maximum Capacity at the Point of the Interconnection.

Requested Commercial Operation Date Re-Study(ies) shall mean the partial or complete reassessment of an Interconnection Customer’s requested date for achieving the Maximum Capacity In-Service of the Generating Facility Study. The results of a Re-Study(ies) supersede and replace in whole or in part the results of the preceding Interconnection Study.

Security Deposit shall mean a payment of cash or an irrevocable letter of credit by Interconnection Customer to Transmission Provider in the amount of one-hundred-thousand dollars ($100,000) in accordance with this GIP and SRP’s Business Practices posted on OASIS.
Scoping Meeting shall mean the meeting between representatives of the Interconnection Customer(s) 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 Point of Interconnection.

Seven Year Queue Limit shall mean that date seven (7) years from the Interconnection Customer’s Queue Position date, upon which the Generating Facility is fixed at its Maximum Capacity or the then-current amount of capacity.

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

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

Shared Network Upgrade(s) shall mean a Network Upgrade that has been assigned to an Interconnection Customer(s) and is subsequently identified as necessary to accommodate the interconnection of the Generating Facility of an Interconnection Customer(s) in a later Cluster and meets the requirements pursuant to the process outlined in this GIP and SRP’s Business Practice(s).

Site Control shall mean the land right to develop, construct, operate and maintain the Generating Facility, or the land right to develop, construct, operate and maintain the Generating Facility and the Interconnection Customer’s Interconnection Facilities in accordance with this GIP and SRP’s Business Practice posted on OASIS.

SRP Board shall mean the SRP District Board of Directors.

SRP’s Business Practice(s) shall mean one or more business practices of SRP as posted on SRP’s OASIS.

Stand Alone Network Upgrade(s) shall mean Network Upgrade(s) 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 Upgrade(s) 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(s), Transmission Provider must provide a written technical explanation outlining why the Transmission Provider does not consider the Network Upgrade(s) to be a Stand Alone Network Upgrade(s) within fifteen (15) days Business Days of its determination.

Study Deposit as provided for in this GIP and in SRP’s Business Practices posted on OASIS shall mean a seventy-five-thousand dollars ($75,000) payment, plus a one-thousand dollars ($1,000) per MW of requested Generating Facility Capacity payment. The Study Deposit shall not exceed two-hundred-fifty-thousand dollars ($250,000). The Study Deposit is refundable.
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 (GIA), such that if Surplus Interconnection Service is utilized, the total amount of Interconnection Service at the Point of Interconnection would remain the same.

Tariff shall mean the SRP open access transmission tariff as amended or modified from time to time.

System Protection Transitional Facilities Study shall mean the equipment, a study to determine a list of facilities (including necessary protection signal communications equipment, required to protect (1) the Transmission Provider’s Transmission System from faults or other electrical disturbances occurring at Interconnection Facilities and Network Upgrade(s)), the cost of those facilities, and the time required to interconnect the Generating Facility or (2) the Generating Facility from faults or other electrical system disturbances occurring on the with 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. The scope of the study is set forth in Section 6.3.2 of this GIP.

Transitional Facilities Study Agreement shall mean the form of agreement contained in Appendix 3.5 of this GIP for conducting the Transitional Facilities Study.

Transition Process shall mean the process provided in Section 6 of this GIP for Interconnection Requests submitted before the Effective Date of the GIP.

Transitional System Impact Study shall mean an Interconnection Study evaluating the impact of the proposed interconnection on the safety and reliability of Transmission Provider’s Transmission System and, if applicable, an Affected System, as set forth in Section 6.2 of this GIP.

Tariff Transitional System Impact Study Agreement shall mean the SRP open access transmission Tariff as amended or modified from time to time form of agreement contained in Appendix 3.4 of this GIP for conducting the Transitional System Impact Study.

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 (GIA) to the extent necessary.

Transmission Provider shall mean the 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 should also be read to include the Operating Agent on behalf of the Participation Project.

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 GIA, including any modifications, additions or upgrades to such facilities and equipment. Transmission Provider’s Interconnection Facilities 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 the Commercial Operation Date.

Variable Energy Resource shall mean a device for the production of electricity that is characterized by an energy source that: (1) is renewable; (2) cannot be stored by the facility owner or operator; and (3) has variability that is beyond the control of the facility owner or operator. WECC is the Western Electric Coordinating Council or its successor organization.

Withdrawal Penalty shall mean the penalty assessed by Transmission Provider to an Interconnection Customer that chooses to withdraw from the queue or does not otherwise reach commercial operation. The calculation of the Withdrawal Penalty is set forth in Section 3.9.1 of this GIP.

Section 2 Scope and Application.

2.1 Application of Standard Large Generator Interconnection Procedures.

Sections 2 through 11 apply to processing an Interconnection Request pertaining to a Large Generating Facility including, but not limited to, a Generating Facility Modification that may constitute a Material Modification to the operating characteristics of an Existing Generating Facility, or a Replacement Generating Facility. See SRP’s Business Practice posted on OASIS to request additional information regarding the interconnection process.

A request for a Replacement Generating Facility shall be evaluated pursuant to Section 3.11 of this GIP.

A request for Generating Facility Modification for an Existing Generating Facility must be submitted to and coordinated with Transmission Provider to allow Transmission Provider to determine whether the proposed modification constitutes a Material Modification. If Transmission Provider determines that the proposed Generating Facility Modification is a Material Modification, then the Generating Facility Modification request shall be submitted as a separate Interconnection...
Request pursuant to Section 3.3 of this GIP for that Generating Facility Modification. Such separate Interconnection Request shall be assigned a new Queue Position and proceed through the study process in the same manner as an Interconnection Request for a new Generating Facility.

See SRP’s Business Practice posted on OASIS to request additional information regarding the interconnection process.

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, regardless of 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 11.12.1 of this GIP. In addition, Transmission Provider shall maintain network models and underlying assumptions on either its OASIS site or a password-protected website. Such network models and underlying assumptions should reasonably represent those used during the most recent interconnection study and be representative of current system conditions. If Transmission Provider posts this information on a password-protected website, a link to the information must be provided on Transmission Provider’s OASIS site. Transmission Provider is permitted to require that Interconnection Customers, OASIS site users and password-protected website users sign a confidentiality agreement before the release of commercially sensitive information or Critical Energy Infrastructure Information in the Base Case data.

Such databases and lists, hereinafter referred to as Base Cases, shall include all (i) generation projects and (ii) transmission projects, including merchant transmission projects that are proposed for the Transmission System for which a transmission expansion plan has been submitted and approved by the applicable authority.

2.4 No Applicability to Transmission Service.

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

3.1 General.

As further specified in SRP’s Business Practices posted on OASIS, Interconnection Customer shall submit to Transmission Provider an
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 separate Interconnection Requests. Interconnection Customer must satisfy M0 as required in Section 3.3.1(iv) for each Interconnection Request even when more than one Interconnection Request is submitted for a single site. M0 is the payment of the (i) Application Fee of five-thousand dollars ($5,000) and (ii) the Study Deposit of seventy-five-thousand dollars ($75,000), plus one-thousand dollars ($1,000) per MW of requested Generating Facility Capacity not to exceed two-hundred-fifty-thousand dollars ($250,000).

In accordance with Appendix 1 to this GIP, M0 shall be made by wire transfer of immediately available funds. The Study Deposit portion of M0 shall be applied toward all administrative and study work associated with the Interconnection Request.

At Interconnection Customer's option, Transmission Provider and Interconnection Customer may identify alternative Point(s) of Interconnection and configurations at the Scoping Meeting to evaluate in this process with Transmission Provider and attempt to eliminate alternatives in a reasonable fashion given the resources and information available.

Interconnection Customer will select the definitive Point(s) of Interconnection to be studied no later than the execution of five (5) Calendar Days after the Scoping Meeting. During the Interconnection System Impact Study Agreement Study process, Transmission Provider may make reasonable changes to the requested Point of Interconnection to facilitate efficient interconnection of Interconnection Customers at common Point(s) of Interconnection and for improving reliability, lowering costs, or accommodating and ensuring reliable load service. Transmission Provider shall notify Interconnection Customers in writing of any intended changes to the requested Point of Interconnection and the Point of Interconnection shall only change upon mutual agreement, such agreement will not be unreasonably withheld.

Transmission Provider shall have a process in place to consider requests for 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 determining the necessary Interconnection Facilities and Network Upgrades, Shared Network Upgrade(s), and associated costs, but may be subject to other studies at the full Generating Facility Capacity to ensure safety and reliability of the Transmission System, with the additional study costs borne by the Interconnection Customer. If after the additional studies are...
Transmission Provider determines that additional Network Upgrade(s) are necessary, then Transmission Provider must: (1) specify which additional Network Upgrade(s) costs are based on which studies; and (2) provide a detailed explanation of why the additional Network Upgrade(s) are necessary. Any Interconnection Facility and/or Network Upgrade(s) 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 8 of the LGIGIA. The necessary control technologies and protection systems shall be established in Appendix C of the executed LGIGIA.

3.2 Cluster Request Window

3.2 Utilization of Surplus Interconnection Service

Transmission Provider must provide a process that allows an Interconnection Customer to utilize or transfer Surplus Interconnection Service at an existing Point of Interconnection. The original Interconnection Customer or one of its affiliates shall have priority to utilize Surplus Interconnection Service. If the existing Interconnection Customer or one of its affiliates does not exercise its priority, then that service may be made available to other potential Interconnection Customers. Transmission Provider will accept Interconnection Requests during a twenty (20) Calendar Day period (the Cluster Request Window). The initial Cluster Request Window shall open for Interconnection Requests beginning January 15, 2024, following commencement of the Transition Process set out in Section 6 of this GIP. Successive Cluster Request Windows shall open annually every January 15 (or the following Business Day if January 15 falls on Saturday, Sunday or a federal holiday) and close twenty (20) Calendar Days thereafter (or the following Business Day if 20 days after the Cluster Request Window open date falls on a Saturday, Sunday, or federal holiday). Prior to the opening of the Cluster Request Window, Transmission Provider may offer a public informational workshop to provide information regarding the interconnection process including, but not limited to, Interconnection Request requirements, Commercial Readiness Milestone(s), and deposits.

3.2.1 Surplus Interconnection Service Requests

Surplus Interconnection Service requests may be made by the existing Interconnection Customer whose Generating Facility is already interconnected or one of its affiliates. Surplus Interconnection Service requests also may be made by another Interconnection Customer. Transmission Provider shall provide a process for evaluating Interconnection Requests for Surplus Interconnection Service. Studies for Surplus Interconnection Service shall consist of reactive power, short circuit/fault duty, stability analyses, and any other appropriate studies. Steady-state (thermal/voltage) analyses may be performed as necessary to ensure that all required reliability conditions are studied. If the Surplus Interconnection Service was not studied under off-peak conditions, off-peak steady state analyses shall be performed to the required level necessary to demonstrate reliable operation of the Surplus Interconnection Service. If the original System Impact Study is not available for the Surplus Interconnection Service, both off-peak and peak analysis may need to be performed for the existing Generating Facility associated with the request...
for Surplus Interconnection Service. The reactive power, short circuit/fault duty, stability, and steady-state analyses for Surplus Interconnection Service will identify any additional Interconnection Facilities and/or Network Upgrades necessary.

### 3.3 Valid Interconnection Request.

#### 3.3.1 Initiating an Interconnection Request.

To initiate an Interconnection Request, Interconnection Customer must submit all of the following: (i) a $250,000 deposit, of which $25,000, plus all other costs incurred by Transmission Provider, shall be non-refundable, in accordance with Section 3.1, (ii) a completed Interconnection Request Form for a Large Generating Facility in the form of Appendix 1, submitted by email to srpinterconnections@srpnet.com; and (iii) demonstration of Site Control or a posting of an additional deposit of $250,000, which shall be refundable upon demonstration of Site Control. In accordance with Appendix 1, deposits shall be made by wire transfer of immediately available funds. The refundable portion of such deposits shall be applied toward all administrative and study work associated with the Interconnection Request, including preparation of the initial draft of the LGIA and EPC.

An Interconnection Customer seeking to join a Cluster shall submit its Interconnection Request to Transmission Provider within, and no later than, 11:59 p.m. MST on the close of the Cluster Request Window. To initiate a valid Interconnection Request, and for each Interconnection Request submitted to Transmission Provider, Interconnection Customer must submit all of the following for its proposed Generating Facility:

- **i.** A completed Interconnection Request Form for a Generating Facility in the form of Appendix 1 to this GIP, including, but not limited to, the following information:
  - Generating Facility size (MW) (and requested Interconnection Service amount if the requested Interconnection Service is less than the Generating Facility Capacity);
  - If applicable, (1) the requested operating assumptions, such as charge and discharge parameters, to be used by Transmission Provider that reflect the proposed operation of the Electric Storage Resource or co-located resource containing an Electric Storage Resource (including a hybrid resource), and (2) a description of any control technologies (software and/or hardware) that will limit the operation of the Electric Storage Resource or a co-located resource containing an Electric Storage Resource (including a hybrid resource) to its intended operation;
  - A Point of Interconnection;

- **ii.** An executed Cluster System Impact Study Agreement in the form of Appendix 3.1 to this GIP;
An executed Point of Interconnection Facilities Study Agreement in the form of Appendix 3.2 to this GIP.

Demonstration of Site Control for the Generating Facility as specified in SRP’s Business Practice posted on OASIS. In the event that regulatory limitations prevent Interconnection Customer from obtaining Site Control, Interconnection Customer must provide: (1) a signed declaration from an officer of the company with power to bind the Interconnection Customer indicating that Site Control is unobtainable due to regulatory limitations; (2) documentation sufficiently describing and explaining the source and effects of such regulatory limitations, including a description of any conditions that must be met to satisfy regulatory requirements and the anticipated time by which Interconnection Customer expects to satisfy the regulatory requirements; and (3) a Deposit in Lieu of Site Control.

An Interconnection Customer that submits a Deposit in Lieu of Site Control must either demonstrate 100% Site Control for its Generating Facility by Decision Point II or pay 100% of Interconnection Customer’s costs identified in the Cluster System Impact Study report, Network Upgrade(s) Facilities Study report and Point of Interconnection Facilities Study report by Decision Point II, as identified in SRP’s Business Practice posted on OASIS. If Interconnection Customer does not demonstrate 100% Site Control for its Generating Facility by Decision Point II or pay 100% of Interconnection Customer’s costs identified in the Cluster System Impact Study report, Network Upgrade(s) Facilities Study report and Point of Interconnection Facilities Study report by Decision Point II, its Interconnection Request will be deemed withdrawn, pursuant to Section 3.9 of this GIP.

A Security Deposit of one-hundred-thousand dollars ($100,000) in the form of cash or an irrevocable letter of credit. If an Interconnection Customer provides a Deposit in Lieu of Commercial Readiness, then the Deposit in Lieu of Commercial Readiness will be used to satisfy the Security Deposit.

As further specified in SRP’s Business Practice posted on OASIS, one of the following Commercial Readiness Demonstration options, accounting for the Requested Maximum Capacity Interconnection Service in the Interconnection Request:

**Option 1:** Executed contract binding upon the parties for the sale of (1) the constructed Generating Facility to a Load-Serving Entity or to a commercial, industrial, or other large end-use customer; (2) the Generating Facility’s energy where the term of sale is not less than five (5) years; or (3) the Generating Facility’s Ancillary Services if the Generating Facility is an Electric Storage Resource where the term of sale is not less than five (5) years; or

**Option 2:** Reasonable evidence (i.e., bid security held by a Load-Serving Entity) that the Generating Facility has been selected in a
resource plan or resource solicitation process by or for a Load-Serving Entity, is being developed by a Load-Serving Entity, or is being developed for purposes of a sale to a commercial, industrial, or other large end-use customer.

If Interconnection Customer is unable to satisfy one of the preceding Commercial Readiness Demonstration options, Interconnection Customer shall provide a Deposit in Lieu of Commercial Readiness. If Interconnection Customer obtains Commercial Readiness after making the Deposit in Lieu of Commercial Readiness, the Deposit will be released less the Security Deposit and any Readiness Milestone payments.

viii. An executed Non-disclosure Agreement in the form of Appendix 2 or a written request to use an existing data sharing agreement between Interconnection Customer and Transmission Provider; and

ix. Written confirmation that the Interconnection Customer is authorized to transact business in Arizona.

Interconnection Customer shall promptly inform Transmission Provider of any material change to Interconnection Customer's demonstration of Site Control under Section 3.3.1(v) of this GIP or its satisfaction of a Commercial Readiness Demonstration as selected under Section 3.3.1(vii) of this GIP. If Transmission Provider determines, based on Interconnection Customer’s information, that Interconnection Customer no longer satisfies Site Control or a Commercial Readiness Demonstration, Transmission Provider shall give Interconnection Customer ten (10) Business Days to demonstrate the applicable requirement to Transmission Provider’s satisfaction. Absent such demonstration, Transmission Provider will deem the subject Interconnection Request withdrawn pursuant to Section 3.9 of this GIP.

If Interconnection Customer initially satisfied the Commercial Readiness Demonstration requirement and no longer meets one of the Commercial Readiness Demonstration options under Section 3.3.1(vii) later in the interconnection process, the Interconnection Customer shall provide a Deposit in Lieu of Commercial Readiness or its Interconnection Request shall be deemed withdrawn pursuant to Section 3.9 of this GIP.

3.3.2 Seven Year Queue Limit.

The Requested Commercial Operation Date for either a new Large Generating Facility or an increase in the Maximum Capacity of the Existing Generating Facility shall not exceed the Seven Year Queue Limit, unless, The Commercial Operation Date may be extended up to ten (10) years provided Interconnection Customer demonstrates to Transmission Provider’s reasonable satisfaction that engineering, permitting and construction of the new Large Generating Facility or increase in capacity of the Existing Generating Facility will take longer than seven (7) years. The Commercial Operation Date may succeed the date the Interconnection Request is received by Transmission Provider by more than ten years only upon agreement between Interconnection Customer and Transmission Provider.
3.3.2 Acknowledgment of Interconnection Request.

Transmission Provider shall acknowledge receipt of the Interconnection Request Form for a Large Generating Facility (Appendix 1) within five (5) Business Days of receipt of the request and attach a copy of the received Interconnection Request Form for a Large Generating Facility (Appendix 1) to the acknowledgement.

3.3.3 Deficiencies in Interconnection Request.

An Interconnection Request will be considered to be a valid request until all items in Section 3.3.1 have been received by Transmission Provider. Transmission Provider provides written notice to Interconnection Customer stating that the Interconnection Request is a valid request within five (5) Business Days of receipt of the initial Interconnection Request.

If an Interconnection Request fails to meet the requirements set forth in Section 3.3.1 of this GIP, Transmission Provider shall notify Interconnection Customer within ten (10) Business Days of receipt of the initial Interconnection Request Form for a Large Generating Facility (Appendix 1) and any deposit(s), of the reasons for such failure and that the Interconnection Request does not constitute a valid request. Interconnection Customer shall provide Transmission Provider the additional requested information needed to constitute a valid request within ten (10) Business Days after receipt of such notice.

At any time, if Transmission Provider identifies that the technical data required under Section 3.3.1 of this GIP (including Generating Facility modeling data) provided by Interconnection Customer is incomplete or contains errors, Interconnection Customer and Transmission Provider shall work expeditiously and in good faith to remedy such technical and/or modeling data issues. Failure by Interconnection Customer to comply with this Section 3.3.3 shall be treated in accordance with Section 3.6.3.9 of this GIP.

3.4 Customer Engagement Window.

3.4.1 Pre-Study Period.

During the Customer Engagement Window (January to April of each year), and upon the close of each Cluster Request Window, Transmission Provider will open a sixty (60) Calendar Day period (the “Pre-Study Period,” which ends upon the execution of a Cluster System Impact Study Agreement by Transmission Provider). During the Pre-Study Period, Transmission Provider will hold a Scoping Meeting with all interested Interconnection Customers. Notwithstanding the preceding requirements and upon written consent of all Interconnection Customers within a Cluster, Transmission Provider may shorten the Pre-Study Period and Customer Engagement Window and begin the Cluster System Impact Study and Point of Interconnection Facilities Study. During the Customer Engagement Window, Transmission Provider will provide to Interconnection Customer a non-binding good faith estimate of the cost and timeframe for completing the studies.
3.4.2 Scoping Meeting.

Within twenty (20) 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.

During the Customer Engagement Window, Transmission Provider will host an open Scoping Meeting for all valid Interconnection Request(s) received in the Cluster Request Window.

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, and to analyze such information to determine the potential feasible Point of Interconnection. In addition, an Interconnection Customer’s request to evaluate whether advanced power flow control, transmission switching, dynamic line ratings, static synchronous compensators, static VAR compensators, and/or electric storage providing transmission service that could provide cost and time savings for Interconnection Customer must be submitted by the Scoping Meeting. 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 and one alternative Point of Interconnection. Within five (5) Business Days following the Scoping Meeting Interconnection Customer shall request, in writing to the Transmission Provider, the primary one (1) Point of Interconnection and one reasonable alternative that will be studied. For the Point of Interconnection, for each Point of Interconnection at a substation, the Interconnection Customer shall specify the substation name and voltage level. For each Point of Interconnection on a Transmission line, the Interconnection Customer shall specify the transmission line name, voltage level, and GPS coordinates in decimal format.

3.4.3 Study.

Following the Customer Engagement Window, Transmission Provider shall initiate the Cluster System Impact Study and Point of Interconnection Facilities Study described in more detail in Sections 7 and 8 of this GIP.

3.5 Readiness Milestones.
Satisfaction of the Readiness Milestones is required throughout the Interconnection Study process to demonstrate the readiness of Interconnection Customer to develop the Generating Facility. Satisfaction of M0 is required at the time Interconnection Customer submits an Interconnection Request. Satisfaction of M1 is required at Decision Point I. Satisfaction of M2 is required at Decision Point II. Notwithstanding the foregoing, if Interconnection Customer’s Readiness Milestone payment will exceed five million dollars ($5,000,000), Interconnection Customer may pay five million dollars ($5,000,000) cash or provide a letter of credit for five million dollars ($5,000,000) and pay the remainder of the Readiness Milestone fifteen (15) Calendar Days after Decision Point I or Decision Point II, respectively.

M0 is a payment of cash by Interconnection Customer to Transmission Provider for (i) an Application Fee of five-thousand dollars ($5,000), and (ii) a Study Deposit consisting of seventy-five-thousand dollars ($75,000), plus one-thousand dollars ($1,000) per MW of requested Generating Facility Capacity. The Study Deposit shall not exceed two-hundred-fifty-thousand dollars ($250,000).

M1 is a payment of cash or an irrevocable letter of credit by Interconnection Customer to Transmission Provider in an amount equal to thirty percent (30%) of the estimated cost allocation identified in the Cluster System Impact Study report plus thirty percent (30%) of the estimated cost allocation identified in the Point of Interconnection Facilities Study report. M1 payments may be zero but may not be negative number.

M2 is a payment of cash or an irrevocable letter of credit by Interconnection Customer to Transmission Provider in an amount equal to sixty percent (60%) of the cost allocation for the costs of the Network Upgrade(s) and Point of Interconnection costs to the extent not already paid in M1. M2 payments may be zero but may not be a negative number.

3.5.1 Application of Deposit in Lieu of Commercial Readiness.

A Deposit in Lieu of Commercial Readiness may be used to satisfy the Readiness Milestones of this Section 3.5 unless the Interconnection Customer that has provided a Deposit in Lieu of Commercial Readiness elects to pay M1 and M2 with cash. An Interconnection Customer that fails to timely satisfy a Readiness Milestone requirement will have its Interconnection Request deemed withdrawn from the Cluster as described in Section 3.9 of this GIP. If a project withdraws or is deemed withdrawn, M1 and M2 payments are subject to Withdrawal Penalties pursuant to Section 3.9 of this GIP.

3.6 Utilization of Surplus Interconnection Service.

Transmission Provider will allow 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.
3.6.1 Surplus Interconnection Service Requests.

Surplus Interconnection Service requests may be made by Interconnection Customer whose Existing Generating Facility or one of its Affiliates’ Existing Generating Facility is already interconnected. Surplus Interconnection Service requests also may be made by another Interconnection Customer.

Transmission Provider will evaluate 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 Cluster 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 necessary additional Interconnection Facilities and/or Network Upgrade(s).

3.7 OASIS Posting.

3.7.1 List of Interconnection Requests.

Transmission Provider will maintain on its OASIS a list of all Interconnection Requests. The list will identify, for each Interconnection Request: (i) maximum Requested Maximum Capacity In-Service for Summer and Winter; (ii) the location by county and state; (iii) the station or transmission line or lines where the interconnection will be made; (iv) Requested Commercial Operation Date; (v) the status of the Interconnection Request, including Queue Position; (vi) the date of the Queue Position as described in Section 4.15.1; and (vii) the availability of any studies related to the Interconnection Request; (viii) the type of Generating Facility to be constructed (combined-cycle, base load or combustion turbine and fuel type); and (ix) 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, Transmission Provider will not disclose the identity of Interconnection Customer until Interconnection Customer executes an LGIA. Before holding a Scoping Meeting with its Affiliate, Transmission Provider shall post on OASIS an advance notice of its intent to do so. Transmission Provider shall post any known deviations in the Requested Commercial Operation Date.

3.7.2 List of Generation Replacement Requests.

In addition, a separate list will be posted for Generation Replacement requests. Transmission Provider will post the planned date of cessation of operation for the Existing Generating Facility or actual date if the Existing Generating Facility has
ceased commercial operations, and the expected Commercial Operation Date of the Replacement Generating Facility.

3.8 Affected Systems.

3.8.1 Coordination with Affected Systems.

As further specified in SRP’s Business Practice posted on OASIS, 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.

3.8.2 Transmission Provider which may be an Affected System shall cooperate with.

When the Transmission Provider is an Affected System it will cooperate with the Transmission provider with whom interconnection has been requested in all matters related to the conduct of studies and the determination of modifications to Affected Systems.

3.9 Withdrawal.

Interconnection Customer may withdraw its Interconnection Request at any time by written notice of such withdrawal to Transmission Provider. In addition, if Interconnection Customer fails to adhere to all requirements of this LGIP, except as provided in Section 11.5 (Disputes) LGIP, 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 as provided in Section 12.5 of this LGIP.

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 either: (1) Transmission Provider's receipt of notice described of withdrawal from Interconnection Customer, or (2) Interconnection Customer's
receipt of notice from Transmission Provider that the Interconnection Request is deemed withdrawn as described in the paragraph above.

Interconnection Customer must pay all monies due to Transmission Provider before it is allowed to obtain any Interconnection Study data or results.

In the case of withdrawal, Transmission Provider shall will: (i) update the OASIS Queue Position posting; and (ii) except as provided for impose the Withdrawal Penalty described in Section 3.1.3.9.1 of this GIP; and (iii) refund to Interconnection Customer any of the refundable portion of Interconnection Customer's deposit or study study Deposit and Readiness Milestone payments that exceed the costs that Transmission Provider has incurred and any Withdrawal Penalties applied. In the event of such withdrawal, Transmission Provider, subject to the confidentiality provisions of Section 11.112.1, 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.

3.9.1 Withdrawal Penalty

Interconnection Customer shall be subject to a Withdrawal Penalty if it withdraws its Interconnection Request, the Interconnection Request is deemed withdrawn pursuant to this GIP, or the Generating Facility does not otherwise reach Commercial Operation, unless the withdrawal does not have a material impact on the cost or timing of any Interconnection Request(s) with an equal or lower Queue Position, as determined by Transmission Provider.

If Interconnection Customer withdraws its Interconnection Request, Transmission Provider will evaluate the impact of the withdrawal on the Interconnection Request(s) with an equal or lower Queue Position. Upon completion of Transmission Provider's evaluation and determination that the withdrawal has a material impact, Transmission Provider will invoice the Interconnection Customer that has provided letter(s) of credit a Withdrawal Penalty, and until Interconnection Customer pays the Withdrawal Penalty, Transmission Provider will hold as collateral letter(s) of credit provided by Interconnection Customer. If Interconnection Customer has provided cash payments, Transmission Provider will apply Interconnection Customer's cash payments to the Withdrawal Penalty.

Upon a determination of material impact, the following Withdrawal Penalty(ies) may apply:

i. If a valid Interconnection Request withdraws at any time, one-hundred percent (100%) of the unexpended amounts of the Interconnection Customer's Study Deposit and Security Deposit will be applied;

ii. If a valid Interconnection Request withdraws at any time, and the Interconnection Customer provided a Deposit in Lieu of Site Control, a penalty of $500,000 will be applied;

iii. If a valid Interconnection Request withdraws prior to Decision Point I, and the Interconnection Customer provided a Deposit in Lieu of Commercial
Readiness, a penalty of the lesser of either four-hundred-thousand dollars ($400,000) or 10% of the Deposit in Lieu of Commercial Readiness will be applied:

iv. If Interconnection Customer withdraws or is deemed withdrawn after Decision Point I, fifty percent (50%) of the M1 payment is non-refundable. If Interconnection Customer provided a Deposit in Lieu of Commercial Readiness the withdrawal penalty shall be the higher of either fifty percent (50%) of the M1 payment or twenty-five percent (25%) of the Deposit in Lieu of Commercial Readiness;

v. If Interconnection Customer withdraws or is deemed withdrawn after Decision Point II, one hundred percent (100%) of all Milestone payments are non-refundable. If Interconnection Customer provided a Deposit in Lieu of Commercial Readiness, the Withdrawal Penalty shall be the higher of either one hundred percent (100%) of all Readiness Milestone payments or the entire Deposit in Lieu of Commercial Readiness; and

vi. If Interconnection Customer withdraws or is deemed withdrawn from the Transition Process the entire transitional study deposit is non-refundable.

3.9.2 Distribution of the Withdrawal Penalty.

Withdrawal Penalty revenues associated with the non-refundable Deposit in Lieu of Site Control, the Deposit in Lieu of Commercial Readiness, or the Readiness Milestone payments shall be used to fund the Network Upgrade(s) for Interconnection Customers with an equal or lower queue position and Point of Interconnection costs for Interconnection Customers sharing a common Point of Interconnection that were materially impacted by the withdrawal.

Withdrawal Penalty revenues associated with the Study Deposit and Security Deposit shall be used to fund studies conducted under the Cluster Study Process and shall first be applied in the form of a bill credit, to not-yet-invoiced study costs for Interconnection Customers remaining that were materially impacted by the withdrawal. To the extent that such studies are fully credited, Withdrawal Penalty revenues shall be applied to Network Upgrade(s) costs for Interconnection Customers remaining in order of Queue Position that are attributable to the impacts of the withdrawn Interconnection Customer(s) that shared an obligation with the remaining Interconnection Customers to fund a Network Upgrade. Withdrawn Interconnection Customers shall not receive a bill credit associated with Withdrawal Penalty revenues. If a Withdrawal Penalty is applied to Network Upgrade(s) costs, and those Network Upgrade(s) costs are later identified as a Shared Network Upgrade(s), then Transmission Provider will include the withdrawn Interconnection Customer when disbursing payment of a Shared Network Upgrade(s).

Allocation of Withdrawal Penalty revenues within a Cluster to a specific Interconnection Customer shall be: (1) ninety percent (90%) on a pro-rata basis based on requested megawatts included in the applicable Cluster; and (2) ten percent (10%) on a per capita basis based on the number of Interconnection Requests in the applicable Cluster.
Distribution of Withdrawal Penalty revenues to a specific Cluster study shall not exceed the total actual costs. If Withdrawal Penalty revenues exceed the total actual costs, as described in the first paragraph of this Section 3.9.2, associated with a Cluster equal to or lower in Queue Position of the withdrawn Interconnection Request(s), those excess Withdrawal Penalty revenues will be reimbursed to the Interconnection Customer that withdrew its Interconnection Request in accordance with Section 4 of this GIP.

3.10 Interconnection Study Delays Caused By Transmission Provider.

i. If Transmission Provider fails to complete an Interconnection Study by the applicable deadline, Interconnection Customer’s Readiness Milestone payments shall be reduced according to this Section 3.10. A study shall be deemed complete when the final report is tendered to Interconnection Customers.

ii. For M1 payment reductions in accordance with this Section 3.10, the reduction amount will be equal to: one-thousand dollars ($1,000) per Business Day for delays of a Cluster System Impact Study fifty (50) Calendar Days beyond the applicable deadline set forth in this GIP; and one-thousand dollars ($1,000) per Business Day for delays of Point of Interconnection Facilities Study ninety (90) Calendar Days beyond the applicable deadline set forth in this GIP.

iii. For M2 payment reductions in accordance with this Section, the reduction amount will be equal to: one-thousand dollars ($1,000) per Business Day for delays of a Cluster System Impact Study Re-Study(ies) twenty-five (25) days beyond the applicable deadline set forth in this GIP; and one-thousand dollars ($1,000) per Business Day for delays of the Network Upgrades Facility Study ninety (90) Calendar Days beyond the applicable deadline set forth in this GIP.

iv. The total amount that an Interconnection Customer’s M1 and M2 payments can be reduced under this Section shall not exceed one hundred percent (100%) of Interconnection Customer’s M0 payment. In accordance with Sections 5 and 9 of this GIP, Interconnection Customer is responsible for paying all actual costs identified in the interconnection studies, regardless of any reduction to M1 and M2, according to the Interconnection Customer’s EPC Agreement.

v. If (1) Transmission Provider needs to extend the deadline for a particular study and (2) all Interconnection Customers included in the relevant study mutually agree to such an extension, the deadline for that study shall be extended thirty (30) Business Days from the original deadline. In such a scenario, Interconnection Customer’s M1 and M2 payments will not be reduced for Transmission Provider exceeding the original deadline.

vi. This Section 3.10 will not be effective until the third Cluster cycle (including the Transition Process) after the Effective Date of GIP (the Cluster cycle beginning in 2026).
3.11 Additional Requirements for Generation Replacement Requests.

3.11.1 Requirements for Generation Replacement Requests.

i. Any Replacement Generating Facility must connect to the Transmission System at the same electrical Point of Interconnection as the Existing Generating Facility and shall meet the Site Control and Commercial Readiness requirements as set forth in this GIP and SRP’s Business Practice(s).

ii. The request for Generation Replacement must be submitted to Transmission Provider by the Interconnection Customer (1) at least one (1) year prior to the date that the Existing Generating Facility is planned to cease operation, or (2) up to (1) one year after a unit is determined as an unplanned (forced) outage as reported to NERC through the Generating Availability Data System. The request shall include the planned or actual date of cessation of operation for the Existing Generating Facility and the expected Commercial Operation Date for the Replacement Generating Facility.

iii. If the Replacement Generating Facility requires Interconnection Service (MW) in excess of that of the Existing Generating Facility that is being replaced, Interconnection Customer shall initiate a separate Interconnection Request for Interconnection Service in an amount (MW) equal to the excess pursuant to Section 3.3.1 of this GIP. Such separate Interconnection Request shall be assigned a new Queue Position and proceed through the study process in the same manner as an Interconnection Request for a new Generating Facility.

iv. If the request for Replacement Generating Facility requests less Interconnection Service (MW) than that of the Existing Generating Facility that is being replaced, then any future request for Interconnection Service for that Replacement Generating Facility shall be submitted as a separate Interconnection Request pursuant to 3.3.1 of this GIP. Such separate Interconnection Request shall be assigned a new Queue Position and proceed through the study process in the same manner as an Interconnection Request for a new Generating Facility.

v. No request for Generation Replacement may be made until twelve (12) months have elapsed from: (1) the date of any assignment of the GIA applicable to the Existing Generating Facility; or (2) the date of sale or other transfer of such Existing Generating Facility. Upon submission of a request for Generation Replacement, the Interconnection Customer shall not sell or otherwise transfer the Existing Generating Facility, the Replacement Generating Facility, nor assign the applicable GIA until such time as Transmission Provider completes evaluation of the request for Generation Replacement unless the Interconnection Customer first withdraws such request for Generation Replacement in writing. In the event Transmission Provider notifies Interconnection Customer that the request for Generation Replacement has been
granted, the prohibition on sale, transfer, or assignment shall be extended in accordance with Section 3.11.8 of this GIP. For purposes of Section 3.11.8 prohibited assignments include assignments to Affiliates pursuant to the GIA, or any analogous provision in an applicable interconnection agreement.

vi. A transfer, sale, or assignment of the Existing Generating Facility, Replacement Generating Facility, or applicable GIA that violates this Section 3.11 shall void the request for Generation Replacement.

vii. The request for Generation Replacement must include: (1) a completed Interconnection Request Form for a Generating Facility in the form of Appendix 1 to this GIP; (2) a seventy-five thousand dollars ($75,000) study deposit; (3) demonstration of Site Control described in 3.3.1(v) applicable to the Generation Replacement request; (4) one of the Commercial Readiness demonstration options described in 3.3.1(vii); and (5) executed Generation Replacement Study Agreement in the form of Appendix 3.6 to this GIP. Approval of the Generation Replacement request is contingent on the results of the Generation Replacement Impact Study. Transmission Provider shall notify Interconnection Customer in writing when the Replacement Generating Facility is accepted.

3.11.2 Requirements for Modification of Generation Replacement Requests.

The request for Generation Replacement can be modified any time before the evaluation process is complete.

i. If the revised planned date of cessation of operation for the Existing Generating Facility is prior to the planned date of cessation of operation specified in the original request, a new request for Generation Replacement must be submitted at least one (1) year prior to the date that the Existing Generating Facility is planned to cease operation.

ii. If the revised expected Commercial Operation Date for the Replacement Generating Facility is after the expected Commercial Operation Date for the Replacement Generating Facility in the original request, a new request for Generation Replacement must be submitted at least one (1) year prior to the date that the Existing Generating Facility is planned to cease operation, unless the Existing Generating Facility is in forced outage. Any revised Commercial Operation Date shall be within three (3) years of the planned cessation date of the Existing Generating Facility or within four (4) years of the Existing Generating Facility in an unplanned (forced) outage per Section 3.11.1 of this GIP.

iii. Any modification to a Replacement Generation Facility request shall meet the Site Control and Commercial Readiness requirements as set forth in this GIP.
3.11.3 **Evaluation Process for Generation Replacement Requests.**

Transmission Provider will place requests for Generation Replacement in a separate Generation Replacement queue on a first come first served basis based upon the date Transmission Provider receives a complete Generation Replacement request. The Generator Replacement Coordinator will evaluate Generation Replacement requests in the order in which they are submitted. The evaluation will consist of two studies: i) a Replacement Impact Study as set forth in Section 3.11.4 of this GIP, and ii) a Reliability Assessment Study as set forth in Section 3.11.5 of this GIP.

The Generator Replacement Coordinator shall use Reasonable Efforts to complete the Replacement Impact Study and Reliability Assessment Study and share results with Interconnection Customer within one hundred eighty (180) Calendar Days of the request.

3.11.4 **Generation Replacement—Replacement Impact Study.**

The Replacement Impact Study will include analyses to determine if the Generation Replacement has a material adverse impact on the Transmission System when compared to an Existing Generating Facility. The Replacement Impact Study may consist of various analyses, including but not limited to, power flow, transient and post-transient stability, power factor, and a short circuit analysis, as necessary, to ensure that required reliability conditions are studied. If the Replacement Impact Study identifies any material impact from operating the Replacement Generating Facility when compared to the Existing Generating Facility, Generator Replacement Coordinator shall deem such impact as a Material Modification, and, in such an instance, if Interconnection Customer wishes to move forward with its request, Interconnection Customer must submit all information and Readiness Milestone payments necessary for a valid Interconnection Request for a new Generating Facility pursuant to Section 3.3.1 of this GIP.

3.11.5 **Generation Replacement—Reliability Assessment Study.**

The Reliability Assessment Study for the period between the date that the Existing Generating Facility ceases Commercial Operation and the expected Commercial Operation Date of the Replacement Generating Facility shall evaluate the performance of the Transmission System to determine if thermal and/or voltage violations of Applicable Reliability Standards and Transmission Provider planning criteria are caused by removing the Existing Generating Facility from service prior to the expected Commercial Operation Date of the Replacement Generating Facility. This study shall compare the conditions on the Transmission System that would exist if the Existing Generating Facility is taken offline to the conditions on the Transmission System as they exist when the Existing Generating Facility is online. The scope of Reliability Assessment Study may include stability analysis as necessary. The Existing Generating Facility shall be responsible for mitigating any reliability violations identified in the Reliability Assessment Study and may not cease operations until all mitigations are
implemented or are in service. Mitigation for this interim period may, as applicable, include: (i) redispatch/reconfiguration through operator instruction; and (ii) remedial action scheme or any other operating steps depending upon the type of reliability violation identified.

3.11.6 Generation Replacement—Notice to Proceed.

An Interconnection Customer requesting Generation Replacement shall inform the Generator Replacement Coordinator within thirty (30) Calendar Days of receiving the results of the Replacement Impact Study and Reliability Assessment Study of its election to proceed. If the Interconnection Customer provides the Generator Replacement Coordinator notice to proceed, then the Generator Replacement Coordinator will either: (i) initiate a Generator Replacement Interconnection Facilities Study; or (ii) tender a draft GIA. If the Interconnection Customer fails to notify the Generator Replacement Coordinator with its election to proceed within thirty (30) Calendar Days, then the Interconnection Request will be deemed withdrawn pursuant to Section 3.9 of this GIP.

3.11.7 Scope of Generator Replacement Interconnection Facilities Study.

Within thirty (30) Calendar Days after the Interconnection Customer has notified the Generator Replacement Coordinator of its intent to proceed, the Generator Replacement Coordinator will determine whether it will conduct a Generator Replacement Interconnection Facilities Study, pursuant to Section 3.11.7 of this GIP. The scope of such a Generator Replacement Interconnection Facilities Study will focus on the Interconnection Facilities for the Replacement Generating Facility. This Generator Replacement Interconnection Facilities Study will identify estimates for cost and the time required to construct the Interconnection Facilities. The Generator Replacement Coordinator shall use Reasonable Efforts to complete this portion of the Generator Replacement Interconnection Facilities Study within ninety (90) Calendar Days.

3.11.8 GIA for Generation Replacement.

Consistent with the process described in Section 10 of this GIP, Transmission Provider shall tender a draft GIA or, if deemed appropriate, an amended GIA that conforms to the GIA in effect at the time, within thirty (30) Calendar Days after Interconnection Customer has notified Transmission Provider of its intent to proceed if a Generator Replacement Interconnection Facilities Study is not required, or within thirty (30) Calendar Days after the final Generator Replacement Interconnection Facilities Study report is provided to Interconnection Customer. The draft GIA shall include updated appendices describing the timing of Generation Replacement and a condition that the GIA cannot be assigned and the Replacement Generating Facility cannot be transferred to any other Party, including an Affiliate of the Interconnection Customer, until the Commercial Operation Date of the Replacement Generating Facility. A transfer, sale, or assignment of the Existing Generating Facility, Replacement Generating
Facility, or applicable GIA that violates this Section 3.11 shall be void and constitute a Breach of the GIA.

3.11.9 Commercial Operation Date for Generation Replacement.

The expected Commercial Operation Date of a Replacement Generating Facility shall be no more than three (3) years from the date of cessation of operation of the Existing Generating Facility or four (4) years from the date a unit is determined as unplanned (forced) outage. If the requested period of time between the cessation of commercial operation of the Existing Generating Facility and expected Commercial Operation Date of the Replacement Generating Facility is greater than three (3) or four (4) years as described in this Section, the request shall be treated as an Interconnection Request for a new Generating Facility.

Section 4 Payment Reconciliation.

Transmission Provider shall reconcile all payments made by Interconnection Customer pursuant to this GIP, whether in the form of cash or a letter of credit, and return any outstanding letters of credit provided by Interconnection Customer if such payment(s) exceed Interconnection Customer's actual costs associated with the interconnection request or Cluster. Such reconciliation will occur once all Point of Interconnection costs and Network Upgrade(s) construction associated with the Interconnection Request have been completed and fully commissioned.

Section 5 Queue Position, Cost Sharing, Cost Allocation and Modifications.

5.1 Section 4. Queue Position.

4.1 General.

Transmission Provider shall assign a Queue Position as follows: the Queue Position for each Interconnection Customer within a Cluster shall be assigned based upon the date and time of receipt of a complete and accurate Interconnection Request Form for a Large Generating Facility (Appendix 1), all information required by Appendix 1 and its attachments, and any required deposit(s); provided that, if the sole reason an Interconnection Request is not valid is the lack of required information on the application form, and Interconnection Customer provides such information in accordance with Section 3.3.3, then Transmission Provider shall assign Interconnection Customer a Queue Position based on the date the application form was originally filed and receipt of any required deposit(s). 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. All items required pursuant to Section 3.3 of this GIP.

The higher Queue Position of each assigned to an Interconnection Request will be used to determine the order of performing the Interconnection Studies and determination of cost responsibility for the facilities necessary to accommodate the Interconnection Request. A higher queued Interconnection Request is one that has been placed “earlier” in the queue in relation to another Interconnection Request that is lower queued in the same Cluster that is assigned a lower Queue Position. The Queue Position of an Interconnection Request within the same
Cluster shall have no bearing on the allocation of the cost of the Network Upgrade(s) and Shared Network Upgrade(s) identified in the applicable Interconnection Study (such costs will be allocated among Interconnection Requests in accordance with Section 5.3 of this GIP). A Cluster initiated earlier in time shall be considered to have a higher Queue Position than a Cluster initiated later.

5.2 General Study Process.

Interconnection studies performed within the Cluster study process will be conducted in accordance with Good Utility Practice. Transmission Provider may, as needed, use subgroups in the Cluster study process. In all instances in which Transmission Provider elects to use subgroups in the Cluster study process, Transmission Provider will publish the criteria used to define and determine subgroups on its OASIS.

5.3 Cost Allocation for Transmission Provider's Interconnection Facilities, Network Upgrade(s), and Shared Network Upgrade(s) Costs.

The Transmission Provider shall calculate each Interconnection Customer's share of Interconnection Facilities, Network Upgrade(s) and Shared Network Upgrade(s) costs identified in the Cluster System Impact Study and Network Upgrade(s) Facilities Study in the following manner:

1. For Network Upgrade(s) identified in an Interconnection Study, Transmission Provider shall calculate each Interconnection Customer’s share of the costs based on the proportional impact of each individual Generating Facility in the Cluster on the Network Upgrade(s).

2. The costs of any required Transmission Provider’s Interconnection Facilities will be directly assigned to Interconnection Customer(s) using such facilities. The cost of such Transmission Provider’s Interconnection Facilities will be shared equally among all Interconnection Customers sharing use of Transmission Provider’s Interconnection Facilities.

3. Shared Network Upgrade(s). Transmission Provider shall analyze if the impact of the Generating Facility on Network Upgrade(s) is greater than five percent (5%) of the facility rating or the power transfer distribution factor is greater than twenty percent (20%). If the criteria listed above are met, the Network Upgrade(s) shall be considered a Shared Network Upgrade(s) and Interconnection Customer shall share the cost of the Shared Network Upgrade(s). Shared Network Upgrade(s) shall only be allocated to up to five (5) future Cluster(s) from the time the Shared Network Upgrade is identified for cost sharing purposes.

Interconnection Customer shall pay Transmission Provider may allocate the cost of the common upgrades for clustered Interconnection Requests without regard to Queue Position for Shared Network Upgrade(s) identified pursuant to Section 5.3(1) of this GIP.
Transmission Provider subsequently shall disburse payment to appropriate Interconnection Customer(s) and withdrawn Interconnection Customers whose Withdrawal Penalty was used to fund a Shared Network Upgrade(s) from an earlier Cluster(s) with previously assigned costs associated with the Shared Network Upgrade(s) in accordance with Section 5.3 of this GIP. If the Shared Network Upgrade(s) is not in service before the Generating Facility’s Commercial Operation Date, Interconnection Customer shall not be required to make a payment under Section 5.3(1) of this GIP until the Shared Network Upgrade(s) is in service. In the event that Interconnection Customer fails to meet its obligation to fund Shared Network Upgrade(s), Transmission Provider shall not be responsible for Interconnection Customer’s funding obligation.

4.2 Clustering.

At Transmission Provider's option, Interconnection Requests may be studied serially or in clusters for the purpose of the Interconnection System Impact Study. Clustering shall be implemented on the basis of Queue Position. If Transmission Provider elects to study Interconnection Requests using Clustering, all Interconnection Requests received within a period not to exceed one hundred eighty (180) Calendar Days, hereinafter referred to as “Queue Cluster Window” shall be studied together without regard to the nature of the underlying Interconnection Service.” The deadline for completing all Interconnection System Impact Studies for which an Interconnection System Impact Study Agreement has been executed during a Queue Cluster Window shall be in accordance with Section 6.4, for all Interconnection Requests assigned to the same Queue Cluster Window. Transmission Provider may study an Interconnection Request separately to the extent warranted by Good Utility Practice based upon the electrical remoteness of the proposed Large Generating Facility.

Clustering Interconnection System Impact Studies shall be conducted in such a manner to ensure the efficient implementation of the applicable regional transmission expansion plan in light of the Transmission System's capabilities at the time of each study.

The Queue Cluster Window shall have a fixed time interval based on fixed annual opening and closing dates. Any changes to the established Queue Cluster Window interval and opening or closing dates shall be announced with a posting on Transmission Provider’s OASIS beginning at least one hundred eighty (180) Calendar Days in advance of the change and continuing thereafter through the end date of the first Queue Cluster Window that is to be modified.

5.4  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.

5.5  4.4 Modifications.

Interconnection Customer shall submit requested modifications to Transmission Provider, by way of a revised an updated Interconnection Request Form for a Large Generating Facility (Appendix 1 to this GIP) along with a written summary of the requested modifications to any information provided in the initial Interconnection Request. Any change to the Point of Interconnection after the Customer Engagement Window shall constitute a Material Modification.
Customer shall retain its Queue Position if the modifications are in accordance with Sections 4.4.1 or 4.4.2, or Section 5.5.1 and are determined not to be Material Modifications pursuant to Section 4.4.3 or 5.5.2.

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 planned interconnection, in accordance with such changes and proceed with any Re-Studies necessary to do so in accordance with Section 6.6 or Sections 7.5 and 7.58.3 as applicable and Interconnection Customer shall retain its Queue Position.

5.5.1 Permitted Modifications.

4.4.1 Prior to the return of the executed Interconnection Cluster 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 of this GIP) 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; (c) a change in Requested Commercial Operation Date; and (d) 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.

5.5.2 Material Modifications.

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 restudies and Interconnection Facilities and Network Upgrades impacting either the Interconnection Customer and all other interconnection customers in the queue at the time any such decrease in electrical output (MW) or technology modification is approved 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 4.4.4 specifies a separate technological
change procedure including the requisite information and process that will be followed to assess whether the Interconnection customer’s proposed technological advancement under Section 4.4.2(c) is a Material Modification. A definition of Permissible Technological Advancement is contained in SRP’s Business Practice.

4.4.3 Prior to the Requested In-Service Date, and prior to making any modification other than those specifically permitted by Sections 4.4.1 and 4.4.2 Section 5.5.1, 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 Section 6.2, or so allowed elsewhere, after the Customer Engagement Window shall constitute a Material Modification. Interconnection Customer may then withdraw the proposed modification or proceed with a new Interconnection Request for such modification.

5.5.3 Study of Modifications.

4.4.4 Upon receipt of Interconnection Customer’s request for modification permitted under this Section 4.45.5, Transmission Provider shall commence and perform any necessary additional studies as soon as practicable, but in no event shall the Transmission Provider commence such studies later than thirty (30) Calendar Days after receiving notice of Interconnection Customer’s request. Any such modification of the Interconnection Request must be accompanied by any resulting updates to the models described in Attachment A to Appendix 1 of this GIP. Any cost of additional studies resulting from such modification shall be done at Interconnection Customer’s cost. Any such modification of the Interconnection Request must be accompanied by any resulting updates to the models described in Attachment A to Appendix 1 of this GIP. All requested modifications shall meet the Site Control requirements in 3.3.1(v) and Commercial Readiness Demonstration requirements in 3.3.1(vii) as set forth in this GIP.

Section 6

5.1 Queue—Position Transition Process for Pending Interconnection Requests.

Any Interconnection Customer that submitted an Interconnection Request prior to the Effective Date of this GIP may elect to join the Transition Process or withdraw without penalty. An Interconnection Customer that joins the Transition Process and that was assigned a Queue Position prior to the Effective Date of GIP shall retain that Queue Position subject to the requirements in Section 6 of this GIP. Any Interconnection Customer that fails to meet the requirements of Section 6 of this GIP shall have its Interconnection Request withdrawn without penalty. Any unused deposit amounts of Interconnection Requests withdrawn prior to the start of the Transition Process shall be returned to Interconnection Customer pursuant to Section 12.3 of this GIP. Any Interconnection Customer whose Interconnection
Request is withdrawn pursuant to this Section 6 may resubmit its Interconnection Request during the Cluster Request Window pursuant to Section 3 of this GIP.

An Interconnection Customer joining the Transition Process must notify Transmission Provider of their intent to join the Transition Process by emailing SRPInterconnections@srpnet.com. If an Interconnection Customer elects to continue with the Transition Process, Transmission Provider will retain Interconnection Customer’s current study deposits, and Interconnection Customer may be responsible for an additional deposit pursuant to Section 6.2.1 of this GIP. Interconnection Customers that are required to demonstrate Site Control, Commercial Readiness and make an additional deposit under Section 6.2.1(iv)-(vii) must satisfy the following requirements within thirty (30) Calendar Days of the Effective Date of GIP. The transitional study deposit is subject to a Withdrawal Penalty, pursuant to Section 3.9.1 of this GIP.

6.2 Transitional System Impact Study Process.

6.2.1 Interconnection Customer’s Requirements.

5.1.1 Any Interconnection Customer assigned a Queue Position that submitted an Interconnection Request prior to the effective date of this LGIP shall retain that Queue Position Effective Date of GIP may opt to join the Transition Process.

i. If, as of the Effective Date of GIP, Interconnection Customer has executed a Large Generator Interconnection Agreement (LGIA), then Interconnection Customer may withdraw its interconnection request without penalty or retain its existing Queue Position subject to the terms of its executed LGIA. Interconnection Customers with an executed LGIA that intend to withdraw their interconnection request must send written notice of intent to withdraw within 30 days of the Effective Date of this GIP. Such notice may be provided by email to SRPInterconnections@srpnet.com.

ii. If, as of the Effective Date of GIP, Interconnection Customer has completed an Interconnection System Impact Study, then Interconnection Customer may join the Transition Process if Interconnection Customer: (i) demonstrates Commercial Readiness; (ii) demonstrates Site Control; (iii) executes a Transitional System Impact Study Agreement; and (iv) provides an additional deposit as specified in this Section 6.2.1(vii).

iii. If at the time of the Effective Date of GIP, Interconnection Customer has not completed an Interconnection System Impact Study, then Interconnection Customer may join the Transition Process if Interconnection Customer: (i) demonstrates Commercial Readiness; (ii) demonstrates Site Control; (iii) executes a Transitional System Impact Study Agreement and a Transitional Facilities Study Agreement, and (iv) provides an additional deposit as specified in this Section 6.2.1(vii).

iv. One of the following Commercial Readiness Demonstration options:
5.1.1.1 If an Interconnection Study Agreement has not been executed as of the effective date of this LGIP, then such Interconnection Study, and any subsequent Interconnection Studies, shall be processed in accordance with this LGIP.

★ Option 1: Executed contract binding upon the parties for the sale of (1) the constructed Generating Facility to a Load-Serving Entity or to a commercial, industrial, or other large end-use customer, (2) the Generating Facility’s energy where the term of sale is not less than five (5) years, or (3) the Generating Facility’s Ancillary Services if the Generating Facility is an Electric Storage Resource where the term of sale is not less than five (5) years; or

★ Option 2: Reasonable evidence (i.e., bid security held by a Load-Serving Entity) that the Generating Facility has been selected in a resource plan or resource solicitation process by or for a Load-Serving Entity, is being developed by a Load-Serving Entity, or is being developed for purposes of a sale to a commercial, industrial, or other large end-use customer; or

A Commercial Readiness Demonstration shall cover the total MWs of Interconnection Service requested, otherwise the Interconnection Customer shall provide a Deposit in Lieu of Commercial Readiness based on the total MWs of Interconnection Service requested. If Interconnection Customer is unable to satisfy one of the preceding Commercial Readiness Demonstration options, Interconnection Customer must provide a Deposit in Lieu of Commercial Readiness. If Interconnection Customer obtains Commercial Readiness after making the Deposit in Lieu of Commercial Readiness, the Deposit will be returned less the additional Transitional Study Deposit.

v. Demonstration of Site Control for the entire Generating Facility. All documentation establishing proof of Site Control shall be accompanied by a signed declaration from an officer or an agent of the Interconnection Customer. Such declaration shall adhere to the form specified in Attachment D of Appendix 1 to this GIP. Site Control for the Generating Facility may be demonstrated by submitting documentation as specified in SRP’s Business Practice posted on OASIS or by providing a Deposit in Lieu of Site Control.

vi. An executed Transitional System Impact Study Agreement in the form of Appendix 3.4, and, if applicable, a Transitional Facilities Study Agreement, in the form of Appendix 3.5 to this GIP.

vii. An additional transitional study deposit in the form of cash or an irrevocable letter of credit upon which Transmission Provider may draw or cash as follows:

5.1.1.2 If an Interconnection Study Agreement has been executed prior to the effective date of this LGIP, such Interconnection Study shall be completed in accordance with the terms of such agreement. With respect to any remaining studies for which an
Interconnection Customer has not signed an Interconnection Study Agreement prior to the effective date of the LGIP, Transmission Provider must offer Interconnection Customer the option of either continuing under Transmission Provider's existing interconnection study process or going forward with the completion of the necessary Interconnection Studies (for which it does not have a signed Interconnection Study Agreement) in accordance with this LGIP.

a. If the Interconnection Customer has a completed Interconnection System Impact Study as of the Effective Date of GIP, it shall pay one hundred percent (100%) of the costs identified for Transmission Provider's Interconnection Facilities, Network Upgrade(s), and Shared Network Upgrade(s) as identified in the latest study report (final Interconnection System Impact Study report or final Interconnection Facilities Study report); or

b. If the Interconnection Customer does not have a completed Interconnection System Impact Study prior to the Effective Date of GIP, it shall pay an amount of two million dollars ($2,000,000).

5.1.1.3 If an LGIA has been executed before the effective date of the LGIP, then the LGIA would be grandfathered.

6.2.2 5.1.2 Transition Period Scope of Transitional System Impact Study.

To the extent necessary, Transmission Provider and Interconnection Customers with an outstanding request (i.e., an Interconnection Request for which an LGIA has not been executed as of the effective date of this LGIP) shall transition to this LGIP within a reasonable period of time not to exceed sixty (60) Calendar Days. The use of the term “outstanding request” herein shall mean any Interconnection Request, on the effective date of this LGIP: (i) that has been submitted but not yet accepted by Transmission Provider; (ii) where the related Interconnection Agreement has not yet been executed; (iii) where the relevant Interconnection Study Agreements have not yet been executed; or (iv) where any of the relevant Interconnection Studies are in process but not yet completed. Any Interconnection Customer with an outstanding request as of the effective date of this LGIP may request a reasonable extension of any deadline, otherwise applicable, if necessary to avoid undue hardship or prejudice to its Interconnection Request. A reasonable extension shall be granted by Transmission Provider to the extent consistent with the intent and process provided for under this LGIP.

The Transitional System Impact Study shall evaluate the impact of the proposed interconnection on the reliability of the Transmission System. The Transitional System Impact Study will consider the Requested In-Service Date and the Queue Position of the Interconnection Request and will evaluate any requested changes to the Interconnection Request. When evaluating the Interconnection Request, Transmission Provider will use a revised Base Case that will reflect the withdrawal of any projects from all Transmission Provider-operated queues that did not move forward under this Transition Process.
The Transitional System Impact Study will consider a short circuit analysis, a stability analysis, a power flow analysis, and other analyses as needed to assess reliability. This Transitional System Impact Study is a hybrid serial-cluster type study, in which all Interconnection Requests that have met the transition requirements will be studied as a cluster, with Queue Positions preserved to assess mitigations serially.

A Transitional System Impact Study report may be provided only to Interconnection Customers that do not have a completed Interconnection System Impact Study or to Interconnection Customers with projects that were found to require mitigations. Transmission Provider shall use Reasonable Efforts to complete the study and issue a draft Transitional System Impact Study report to Interconnection Customer within one hundred forty-five (145) Calendar Days after receipt of an executed Transitional System Impact Study Agreement. If a project's result did not change from their previously completed Interconnection System Impact Study, an addendum to that original report will be provided to document that the Transitional System Impact Study was performed, and no changes were identified. If required, Transmission Provider will provide a draft study report to the Interconnection Customer for review and comment.

6.2.3 Transitional System Impact Study Re-Study(ies).

If Re-Study(ies) of the Transitional System Impact Study is required due to: (i) a higher queued project dropping out of the queue; (ii) Base Case used for the Transitional System Impact Study changes; (iii) a modification of a higher queued project subject to Section 5 of this GIP; or (iv) a change to Transmission Provider equipment design standards or reliability criteria, Transmission Provider shall notify Interconnection Customer in writing. When considering the Commercial Operation Date of the proposed Interconnection Request, the Re-Study will consider all Interconnection Requests that have an earlier Commercial Operation Date and are interconnecting to either the Transmission System or to an Affected System's transmission system. Any cost of Re-Study shall be borne by the Interconnection Customer being restudied.

6.3 Transitional Facilities Study Process.

6.3.1 Transitional Facilities Study Procedures.

Upon completion of the Transitional System Impact Study, if the Interconnection Customer does not have a finalized Interconnection Facilities Study report, a Transitional Facilities Study may need to be performed.

Transmission Provider shall utilize existing studies to the extent practicable in performing the Transitional Facilities Study. Transmission Provider shall use Reasonable Efforts to complete the Transitional Facilities Study and issue a draft Transitional Facilities Study report to Interconnection Customer within one-hundred-eighty (180) Calendar Days after receipt of an executed Transitional Facilities Study Agreement.
6.3.2 Scope of Transitional Facilities Study.

The Transitional Facilities Study shall specify and estimate the cost of the equipment, engineering, procurement, and construction work needed to implement the conclusions of the Transitional System Impact Study or the Interconnection System Impact Study in accordance with Good Utility Practice to reliably connect the Generating Facility to the Transmission System. The Transitional 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 Upgrade(s) necessary to accomplish the interconnection; and an estimate of the time required to complete the construction and installation of such facilities. Interconnection Customer will compensate Transmission Provider for the actual cost of the Transitional Facilities Study.

6.3.3 Re-Study(ies).

If Re-Study(ies) of the Transitional Facilities Study is required due to: (i) a higher queued project dropping out of the Queue; or (ii) a modification of a higher queued project subject to Section 5 of this GIP, Transmission Provider shall notify Interconnection Customer in writing. When considering the Commercial Operation Date of the proposed Interconnection Request, the Re-Study will consider all Interconnection Requests that have an earlier Commercial Operation Date and are interconnecting to either the Transmission System or to an Affected System’s transmission system. Any cost of Re-Study shall be borne by the Interconnection Customer being re-studied.

6.4 Transitional Interconnection Agreement.

All transitional projects will follow the procedure for execution of the GIA as provided for in Section 10 of this GIP.

6.5 New Transmission Provider.

If Transmission Provider transfers control of its Transmission System to a successor Transmission Provider during the period when an Interconnection Request is pending, the original Transmission Provider shall transfer to the successor Transmission Provider any amount of the deposit or payment 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 LGIAGIA to Interconnection Customer but Interconnection Customer has not either executed the LGIAGIA or requested to initiate Dispute Resolution, unless otherwise provided, Interconnection Customer must complete negotiations with the successor Transmission Provider.
Section 7

Section 6. Interconnection System Impact Study

7.1 Interconnection System Impact Study

6.1 Interconnection System Impact Study Agreement.

Unless otherwise agreed, pursuant to the Scoping Meeting provided in Section 3.3.4, Transmission Provider shall provide to Interconnection Customer an Interconnection System Impact Study Agreement in the form of Appendix 2 to this LGIP. The Interconnection System Impact Study Agreement shall provide that Interconnection Customer shall compensate Transmission Provider for the actual cost of the Interconnection System Impact Study and that Transmission Provider will draw upon the Interconnection Customer’s deposit to perform the study. In the event that the deposit is not sufficient to cover the costs, including potential Re-Study, in accordance with Section 6.6, the Transmission Provider shall invoice Interconnection Customer for the estimated balance to complete the study. Interconnection Customer shall submit payment no later than fifteen (15) calendar days after it received the invoice. After completion of the Interconnection System Impact Study, including any Re-Study, any remaining deposit shall be applied to the costs of the Interconnection Facilities Study, or if Interconnection Customer withdraws its request in accordance with Section 3.6, refunded in accordance with Sections 3.3.1 and 3.5. Transmission Provider shall make Reasonable Efforts to provide to Interconnection Customer, after completion of the Scoping Meeting and upon request, a non-binding good faith estimate of the cost and timeframe for completing the Interconnection System Impact Study.

6.2 Execution of Interconnection System Impact Study Agreement.

Interconnection Customer shall execute the Interconnection System Impact Study Agreement and deliver the executed Interconnection System Impact Study Agreement to Transmission Provider no later than thirty (30) Calendar Days after its receipt of the agreement from the Transmission Provider. If the Interconnection System Impact Study uncovers any unexpected result(s) not contemplated during the Scoping Meeting, a substitute Point of Interconnection identified by either Interconnection Customer or Transmission Provider, and acceptable to the other, such acceptance not to be unreasonably withheld, will be substituted for the designated Point of Interconnection specified above without loss of Queue Position, and Re-Studies shall be completed pursuant to Section 6.6 as applicable.

6.3 Scope of Interconnection System Impact Study.

The Interconnection System Impact Study shall be a Cluster study. The Cluster System Impact Study shall evaluate the impact of the proposed interconnection(s) on the reliability of the Transmission System. The Interconnection System Impact Study will consider the Requested Initial Synchronization Date and the Queue Position of the proposed Interconnection Request. When considering either the Queue Position or the Requested Initial Synchronization Date of the proposed Interconnection Request, Transmission Provider will consider the Base Case as well as all generating facilities and transmission lines that Generating Facilities (and with respect to (iii) below, any identified Network Upgrade(s) associated with such higher queued interconnection) that, on the date the Cluster System Impact Study is commenced: (i) are directly interconnected to the Transmission System; (ii) are interconnected to Affected Systems and may have an impact on the Interconnection Request; and (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 has a GIA or have requested to initiate Dispute Resolution.

When considering the Queue Position of the proposed Interconnection Request, the Interconnection System Impact Study will consider all earlier queued Interconnection Requests for interconnection to the Transmission System or to an Affected System's transmission system. When considering the Requested Initial Synchronization Date of the proposed Interconnection Request, the Interconnection System Impact Study will consider all Interconnection Requests that have an earlier Requested Initial Synchronization Date and are interconnecting to either the Transmission System or to an Affected System's transmission system.

For purposes of determining necessary Interconnection Facilities, Network Upgrade(s), and Shared Network Upgrade(s), the Cluster System Impact Study will consider the level of Interconnection Service requested by Interconnection Customers in the Cluster, unless otherwise required to study the full Generating Facility Capacity due to safety or reliability concerns.

The Interconnection Cluster System Impact Study report. The Cluster System Impact Study will consist of various analyses, including but not limited to: power flow, transient and post-transient stability, power factor, and a short circuit analysis, a stability analysis, a power flow analysis, and other analyses as needed to assess reliability. The Interconnection Study results of which are documented in a single Cluster System Impact Study report or Re-Study report, as applicable. The Cluster System Impact Study will state the assumptions upon which it is based; state the results of the analyses; and provide the requirements or potential impediments to providing the requested interconnection service, including a preliminary indication of the cost and length of time that would be necessary to correct any problems identified in those analyses and implement the interconnection. For purposes of determining necessary Interconnection Facilities and Network Upgrades, the Interconnection Cluster System Impact Study shall consider may evaluate advanced power flow control, transmission switching, dynamic line ratings, static synchronous compensators, static VAR compensators, and/or Electric Storage Resource that provides a transmission service for feasibility, cost, and time savings as an alternative to the Network Upgrade(s) identified by the Cluster System Impact Study. If this type of evaluation was performed, Transmission Provider will include the evaluation in the Cluster System Impact Study report.

For the Requested Maximum Capacity, unless otherwise required to study the full Generating Facility Capacity due to safety or reliability concerns. The Interconnection Cluster System Impact Study report may identify the Interconnection Facilities, Contingent Facilities, and Network Upgrade(s) expected to be required to reliably interconnect the Generating Facilities in that Cluster at the requested Interconnection Service level and will provide non-binding cost estimates for required Network Upgrade(s). The Cluster System Impact Study shall identify each Interconnection Customer’s estimated allocated costs for Shared Network Upgrade(s) and Network Upgrade(s) pursuant to the method in Section 5.3 of this GIP. Transmission Provider will hold a meeting with Interconnection Customer(s) to review the Cluster System Impact Study and Point of
Interconnection Facilities Study pursuant to Section 7.4 of this GIP. The Cluster System Impact Study report will provide a list of facilities that are required as a result of the Interconnection Request and a non-binding good faith estimate of cost responsibility and a non-binding good faith estimated time to construct.

7.2 Execution of Cluster System Impact Study Agreement

Transmission Provider shall execute the Cluster System Impact Study Agreement and deliver the executed Cluster System Impact Study Agreement to Interconnection Customer no later than five (5) Business Days after the Scoping Meeting.

If the Cluster System Impact Study uncovers result(s) not contemplated during the Scoping Meeting, a substitute Point of Interconnection identified by either Interconnection Customer or Transmission Provider, and acceptable to the other, such acceptance not to be unreasonably withheld, will be substituted for the designated Point of Interconnection specified above without loss of Queue Position, and Re-Studies shall be completed pursuant to Section 7.5 of this GIP as applicable.

7.3 Interconnection System Impact Study Procedures

Transmission Provider shall coordinate the Interconnection System Impact Study with any Affected System that is affected by the Interconnection Request pursuant to Section 3.3 of this GIP. Transmission Provider shall use Reasonable Efforts to complete the Interconnection Requests for a Cluster System Impact Study within ninety (90) to one hundred eighty (180) Calendar Days after the receipt of the Interconnection Study. Transmission Provider will initiate the Cluster System Impact Study Agreement or notification to proceed, study payment, and technical data. Timing is dependent on the complexity-process pursuant to this Section.

At the request of Interconnection Customer or at any time Transmission Provider determines that it will not meet the required time frame for completing the Interconnection System Impact Study, Transmission Provider shall notify Interconnection Customer as to the schedule status of the Interconnection System Impact Study. If Transmission Provider is unable to complete the Interconnection System Impact Study within the time period, it shall notify Interconnection Customer and provide an estimated completion date with an explanation of the reasons why additional time is required.
Upon request, Transmission Provider shall provide Interconnection Customer all supporting documentation, workpapers and relevant pre-Interconnection Request and post-Interconnection Request power flow, short circuit and stability databases for the Interconnection Cluster System Impact Study, subject to confidentiality arrangements consistent with Section 11.112.1 of this GIP.

### 7.4 Meeting with Transmission Provider.

Within ten (10) Business Days of providing an Interconnection System Impact Study report to Interconnection Customer, Transmission Provider and Interconnection Customer shall meet to discuss the results of the Interconnection System Impact Study, unless otherwise mutually agreed by the Parties.

Within fifteen (15) Calendar Days of furnishing a Cluster System Impact Study report and Point of Interconnection Facilities Study report to Interconnection Customer, Transmission Provider will convene an open meeting to discuss the study results. Transmission Provider, upon request, may make itself available to meet with individual Interconnection Customers after the reports are tendered. Within fifteen (15) Calendar Days after the Cluster System Impact Study report meeting, Transmission Provider shall provide the completed Cluster System Impact Study, and Interconnection Customer shall provide M1 payment Re-Study(i).”

**i. If no Interconnection Customer withdraws from the Cluster after completion of the Cluster System Impact Study or is deemed withdrawn pursuant to Section 3.9 of this GIP after completion of the Cluster System Impact Study, Transmission Provider will electronically notify Interconnection Customers in the Cluster that a Cluster System Impact Study Re-Study is not required.**

### 6.6 Re-Study.

**ii. If one or more Interconnection Customers withdraw from the Cluster, Transmission Provider will determine if a Cluster System Impact Study Re-Study is necessary. If Transmission Provider determines a Cluster System Impact Study Re-Study is not necessary, Transmission Provider shall provide an updated Cluster System Impact Study report within thirty (30) Calendar Days of such determination. When the updated Cluster System Impact Study report is issued, Transmission Provider will electronically notify Interconnection Customers in the Cluster that a Cluster System Impact Study Re-Study is not required.**

**iii. If Re-Study of the Interconnection Cluster System Impact Study is required due to: (i) one or more Interconnection Customers withdrawing from the Cluster and Transmission Provider determines a Cluster System Impact Study Re-Study is necessary as a result; (2) a higher queued project dropping out of the queue or base case; (3) the Base Case used for the Interconnection Transitional System Impact Study changes; (ii) a modification of a higher queued project subject to Section 4.4, (iii) re-designation of the Point of Interconnection pursuant to Section 6.55 of this GIP; or (iv) a change to the Transmission Provider or Transmission Owner equipment design standards or reliability criteria, Transmission Provider shall will electronically notify Interconnection Customer in writing. When**
considering the Requested Commercial Operation Date of the proposed
Interconnection Request, the Re-Study will consider all Interconnection
Requests that have an earlier Requested Commercial Operation Date and
are interconnecting to either the Transmission System or to an Affected
System’s transmission system. Such Re-Study shall take no longer than
sixty (60) Calendar Days from the date of notice. If Transmission Provider
is unable to complete the Re-Study within that time period, it shall notify
Interconnection Customer and provide an estimated completion date with
an explanation of the reasons why additional time is required. Any cost of
Re-Study shall be borne by the(s) that a Cluster System Impact Study Re-
Study is required. Transmission Provider will continue with such Re-
Studies until Transmission Provider determines that no further Re-Studies
are required and Interconnection Customer being re-studied(s) in the
Cluster have satisfied M2 payment.

Section 7. Interconnection Facilities Study

7.1 Interconnection Facilities Study Agreement.

iv. The scope of any Cluster System Impact Study Re-Study will be consistent
with the scope of an initial Cluster System Impact Study pursuant to Section
7.3 of this GIP. Transmission Provider will tender the draft Re-Study report
within forty-five (45) Calendar Days of notification to Interconnection
Customer that a Cluster System Impact Study Re-Study is required. The
results of the Cluster System Impact Study Re-Study will be combined into
a single report (Re-Study report). Within fifteen (15) Calendar Days of
furnishing the draft Re-Study report to Interconnection Customer,
Transmission Provider will convene a meeting to discuss the study results.
Within fifteen (15) Calendar Days after the Re-Study report meeting,
Transmission Provider will finalize the Re-Study report. If additional Re-
Studies are required, Interconnection Customer and Transmission Provider
will follow the procedures of this Section 7.5 until such time that
Transmission Provider determines that no further Re-Studies are required.
Transmission Provider will electronically notify each Interconnection
Customer within the Cluster when no further Re-Studies are required.

Within five (5) Business Days of transmitting the final Interconnection System
Impact Study report to the Interconnection Customer, Transmission Provider shall
provide to the Interconnection Customer an Interconnection Facilities Study
Agreement in the form of Appendix 3 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
and that the Transmission Provider will draw upon the Interconnection Customer’s
deposit to perform the study. In the event that the deposit is insufficient to cover the costs, including potential of Re-Study(ies), in accordance with Section 8.512.3 of this GIP, Transmission Provider shall invoice Interconnection Customer(s) for the estimated balance to complete the study. Interconnection Customer(s) shall submit payment no later than fifteen (15) calendar-days Calendar Days after it receives the invoice from Transmission Provider. After completion of the Interconnection Facilities Study, any remaining deposit shall be applied to the Transmission Provider’s costs of negotiating a LGIA with Interconnection Customer, or if Interconnection Customer withdraws its request in accordance with Section 3.6, refunded in accordance with Section 3.3.1.
Transmission Provider will make Reasonable Efforts to provide to Interconnection Customer, within three (3) Business Days following the Interconnection System Impact Study results meeting, a non-binding good faith estimate of the cost and timeframe for completing the Interconnection Facilities Study. If Transmission Provider is unable to provide such estimate within this time period, Transmission Provider shall notify Interconnection Customer and provide an estimate date for such provision and an explanation of why additional time is required. 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.

Section 8 Interconnection Facilities Study

The Interconnection Facilities Study will determine the estimated cost and time to construct the Network Upgrade(s) and Transmission Provider’s Interconnection Facilities necessary to reliably interconnect the proposed Generating Facility to the Transmission System. A Point of Interconnection Facilities Re-Study will be performed as needed. The Interconnection Facilities Study will be conducted in two stages: (1) the Point of Interconnection Facilities Study, and (2) the Network Upgrade(s) Facilities Study. The Point of Interconnection Facility Study will be done in parallel with the Cluster System Impact Study. The Network Upgrade(s) Facilities Study will begin no later than forty-five (45) Calendar Days after Interconnection Customer provides M1 payment. The combination of the Interconnection Facilities Study will determine the estimated cost and time to construct the identified Network Upgrade(s) and Transmission Provider’s Interconnection Facilities for each Interconnection Request.

8.1 Point of Interconnection Facilities Study

8.1.1 Scope of Point of Interconnection Facilities Study.

The Point of Interconnection Facilities Study shall specify and estimate the cost of the equipment, engineering, procurement and construction work needed to implement the conclusions of the Interconnection System Impact Study in accordance with Good Utility Practice to physically and electrically connect the Interconnection Facility to the Transmission System. The Point of Interconnection Facilities Study will 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 estimated cost to interconnect the Generating Facility at the Point of Interconnection.

8.1.2 Point of Interconnection Facilities Study Agreement.

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 Provider shall execute the Point of Interconnection Facilities Study will also identify any potential control equipment for requests for Agreement and deliver the executed Point of
Interconnection Service that are lower than the Generating Facility Capacity Facilities Study Agreement to Interconnection Customer no later than five (5) Business Days after the Scoping Meeting.

8.1.3 7.3 Point of Interconnection Facilities Study Process.

Transmission Provider shall coordinate the Interconnection Facilities Study with any Affected System pursuant to Section 3.5 above. Transmission Provider shall utilize existing studies to the extent practicable in performing the Point of Interconnection Facilities Study. Transmission Provider shall use Reasonable Efforts to complete the study and issue a draft Point of Interconnection Facilities Study report to Interconnection Customer between ninety (90) and one hundred eighty (180) Calendar Days after receipt of an executed Interconnection Facilities Study Agreement specified in the SRP Business Practice. Timing is dependent on the complexity of the request and is set forth in an SRP Business Practice. within eighty (80) Calendar Days of the close of the Customer Engagement Window.

At the request of Interconnection Customer or at any time Transmission Provider determines that it will not meet the required time frame for completing the Point of Interconnection Facilities Study, Transmission Provider shall notify Interconnection Customer as to the schedule status of the Point of Interconnection Facilities Study. If Transmission Provider is unable to complete the Point of Interconnection Facilities Study report within the time required, it shall notify Interconnection Customer and provide an estimated completion date and an explanation of the reasons why additional time is required.

Interconnection Customer shall tender any comments on the draft Point of Interconnection Facilities Study report within thirtyfifteen (3015) Calendar Days of receipt of the report. Transmission Provider shall issue the final Point of 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. If the Interconnection Customer does not provide written comments within the fifteen-day period, the report is deemed to be final. 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 Point of 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 11.12.1 of this GIP.

8.1.4 7.4 Meeting with Transmission Provider.

Within ten (10) Business Days of providing a draft Point of Interconnection Facilities Study report to Interconnection Customer, Transmission Provider and Interconnection Customer shall meet to discuss the results of the
Point of Interconnection Facilities Study. If Transmission Provider cannot schedule a meeting within this.

8.1.5 Point of Interconnection Facilities Re-Study.

If a Point of Interconnection Facilities Re-Study is necessary, Transmission Provider shall electronically notify Interconnection Customer.

8.2 Network Upgrade(s) Facilities Study.

8.2.1 Scope of Network Upgrade(s) Facilities Study.

The Network Upgrade(s) Facilities Study shall be a Cluster study. The Network Upgrade(s) Facilities Study shall specify and provide a non-binding good faith estimate of the cost of the equipment, engineering, procurement and construction work needed to implement the conclusions of the Cluster System Impact Study (and any associated Re-Study(ies)) in accordance with Good Utility Practice to reliability provide Interconnection Service to the Transmission System. The Network Upgrade(s) Facilities Study shall identify the nature and estimated cost of any switching configuration of the connection equipment, including, without limitation: the instrument transformers, switchgear, meters, and other station equipment; Transmission Provider’s Interconnection Facilities necessary to accomplish the interconnection; and an estimate of the time required to complete the construction and installation of such facilities.

8.2.2 Network Upgrade(s) Facilities Study Agreement.

Interconnection Customer shall execute the Network Upgrade(s) Facilities Study Agreement in the form of Appendix 3.3 to this GIP and deliver the executed Network Upgrade(s) Facilities Study Agreement to Transmission Provider within five (5) Calendar Days after Interconnection Customer makes M1 payment.

8.2.3 Network Upgrade(s) Facilities Study Process.

Transmission Provider shall coordinate the Network Upgrade(s) Facilities Study with any Affected System pursuant to Section 3.8 of this GIP. Transmission Provider shall utilize existing studies to the extent practicable in performing the Network Upgrade(s) Facilities Study. Transmission Provider will use Reasonable Efforts to complete the Network Upgrade(s) Facilities Study and issue a draft Network Upgrade(s) Facilities Study report to Interconnection Customer within one hundred and five (105) Calendar Days after finalizing the Cluster System Impact Study report.

Interconnection Customer shall tender any comments on the draft Network Upgrade(s) Facilities Study report within fifteen (15) Calendar Days of receipt of the report. Transmission Provider will issue the final Network Upgrade(s) Facilities Study report within fifteen (15) Calendar Days of receiving Interconnection Customer’s comments or promptly upon receiving Interconnection Customer’s written statement that it will not provide comments. If the Interconnection Customer does not provide written comments within the fifteen-day period, the report is deemed to be final. 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 Network Upgrade(s) Facilities Study report. Upon request, Transmission Provider shall provide Interconnection Customer supporting documentation, workpapers, and databases or data developed in the preparation of the Network Upgrade(s) Facilities Study, subject to confidentiality arrangements consistent with Section 12.1 of this GIP.

At the request of Interconnection Customer or at any time Transmission Provider determines that it will not meet the required time frame for completing the Network Upgrade(s) Facilities Study, Transmission Provider shall notify Interconnection Customer of the estimated time for such a meeting as to the schedule status of the Network Upgrade(s) Facilities Study. If Transmission Provider is unable to complete the Network Upgrade(s) Facilities Study and issue a draft Network Upgrade(s) 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.

8.2.4 Meeting with Transmission Provider.

Within fifteen (15) Calendar Days of providing a draft Network Upgrade(s) Facilities Study report to Interconnection Customer, Transmission Provider and Interconnection Customer will meet to discuss the results of the Network Upgrade(s) Facilities Study.

8.3 Network Upgrade(s) Facilities Study Re-Study.

If Re-Study of the Network Upgrade(s) Facilities Study is required due to (i) a higher queued project dropping out of the queue or base case Base Case used for the Interconnection Cluster System Impact Study; (ii) a modification of a higher queued project pursuant to Section 4.4.5 of this GIP; or (iii) a change to the Transmission Provider or Transmission Owner equipment design standards or reliability criteria, Transmission Provider shall notify Interconnection Customer in writing. Such Re-Study shall take no longer than sixty (60) Calendar Days from the date of notice after finalizing the Cluster System Impact Study report. If Transmission Provider is unable to complete the Re-Study within that time period, it shall notify Interconnection Customer and provide an estimated completion date with an explanation of the reasons why additional time is required. Any cost of Re-Study shall be borne by the Interconnection Customer being re-studied.

Section 9 Engineering, Procurement & Construction (“EPC”) Agreement.

Transmission Provider and Interconnection Customer shall execute an EPC Agreement that authorizes the Transmission Provider to begin engineering, procurement of long lead-time items, and construction necessary for the establishment of the interconnection. The EPC Agreement will not alter the Interconnection Customer’s Queue Position or In-Service Date. The EPC
Agreement shall provide for the Interconnection Customer to pay the cost of all activities authorized by the Interconnection Customer and to make advance payments or provide other satisfactory security for such costs.

The Interconnection Customer shall pay the cost of such authorized activities and any cancellation costs for equipment that is already ordered for its interconnection, which cannot be mitigated as hereafter described, whether or not such items or equipment later become unnecessary. If Interconnection Customer withdraws its application for interconnection or either Party terminates the EPC Agreement, to the extent the equipment ordered can be canceled under reasonable terms, Interconnection Customer shall be obligated to pay the associated cancellation costs. To the extent that the equipment cannot be reasonably cancelled, Transmission Provider may elect: (i) to take title to the equipment, in which event Transmission Provider shall refund Interconnection Customer any amounts paid by Interconnection Customer for such equipment and shall pay the cost of delivery of such equipment; or (ii) transfer title to and deliver such equipment to Interconnection Customer, in which event Interconnection Customer shall pay any unpaid balance and cost of delivery of such equipment.

Section 10 Section 9. Standard Large Generator Interconnection Agreement (LGIA)

10.1 9.1 Tender.

Within thirty-sixty (30-60) Calendar Days after tendering the final Interconnection Network Upgrade(s) Facilities Study report, Transmission Provider shall tender a draft LGIA, together with draft appendices. The draft LGIA shall be in the form of Transmission Provider's standard form LGIA which is in Appendix 5 posted on Transmission Provider's OASIS, which the Interconnection Customer shall execute and return, or otherwise comment upon, within thirty days according to Section 10.3 of this GIP, unless the forty (30-40) Calendar Days Day negotiation period under Section 10.2 of this GIP has commenced.

10.2 9.2 Negotiation.

Notwithstanding Section 10.1, at the request of Interconnection Customer, Transmission Provider shall begin negotiations with Interconnection Customer concerning the appendices to the GIA at any time after execution of the Network Upgrade(s) Facilities Study Agreement. Transmission Provider and Interconnection Customer shall negotiate concerning any comments disputed provisions of the appendices to the draft LGIA for not more than sixtyforty (60-40) Calendar Days. 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 and request to initiate Dispute Resolution. If Interconnection Customer requests terminations of the negotiations, but within sixty (60) Calendar Days thereafter fails to request to initiate Dispute Resolution, it shall be deemed to have withdrawn its Interconnection Request, subject to a Withdrawal Penalty pursuant to Section 3.9.1 of this GIP. Unless otherwise agreed by the Parties, if Interconnection Customer has not executed the LGIA or initiated Dispute Resolution within sixty (60) Calendar Days after tender of draft LGIA, it shall be deemed to have withdrawn its Interconnection Request, subject to a Withdrawal Penalty pursuant to Section 3.9.1 of this GIP.
shall provide to Interconnection Customer a final LGIA within fifteen (15) Business seventy-five (75) Calendar Days after the completion of the negotiation process or ten (10) Calendar Days after the Re-Study report(s), if any.

**10.3 Execution.**

Within fifteen (15) Business thirty (30) Calendar Days after receipt of the final LGIA, the Interconnection Customer shall execute the final LGIA and return to Transmission Provider along with: (A) reasonable evidence of continued Site Control or (B) $250,000, as a 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 the Interconnection Customer election, has been achieved: (i) the execution of a contract for the supply or transportation of fuel to the Large Generating Facility; (ii) the execution of a contract for the supply of cooling water to the Large Generating Facility; (iii) execution of a contract for the engineering for, procurement of major equipment for, or construction of, the Large Generating Facility; (iv) execution of a contract for the sale of electric energy or capacity from the Large Generating Facility; or (v) application for an air, water, or land use permit. (ii) continued demonstration of Commercial Readiness; and (iii) full payment of Readiness Milestone payments.

**10.4 Commencement of Interconnection Activities.**

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

**Section 11 Construction of Transmission Provider’s Interconnection Facilities, Network Upgrade(s), and Expedition of Transmission Provider’s Publicly Announced Planned Transmission System Upgrade(s).**

**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, if appropriate, Shared Network Upgrade(s) and Network Upgrade(s), and, if appropriate, expedition of any publicly announced Transmission System Upgrade(s) previously announced by Transmission Provider.

**11.2 Construction Sequencing.**

**11.2.1 General.**

In general, the Requested In-Service Date of an Interconnection Customer seeking interconnection to the Transmission System will determine the sequence of
11.2.2 Advance Construction of Transmission Provider’s Interconnection Facilities, Shared Network Upgrade(s) and Network Upgrade(s) that are an Obligation of an Entity other than Interconnection Customer.

An Interconnection Customer with an LGIA or GIA, in order to maintain its Requested In-Service Date, may request that Transmission Provider advance to the extent necessary the completion of Transmission Provider’s Interconnection Facilities and Network Upgrade(s) that: (i) were assumed in the Interconnection Studies for such Interconnection Customer; (ii) are necessary to support such Requested 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 Requested In-Service Date. Upon such request, Transmission Provider will use Reasonable Efforts to advance the construction of such facilities to accommodate such request; provided that Interconnection Customer commits to pay Transmission Provider: (i) any associated expediting costs; and (ii) the cost of such facilities.

11.2.3 Advancing Construction of Transmission Provider’s Transmission System Upgrade(s) that are Part of an Expansion Plan of the Transmission Provider.

An Interconnection Customer with an LGIA or GIA, in order to maintain its Requested In-Service Date, may request that Transmission Provider advance to the extent necessary the completion of Transmission Provider’s Transmission System Upgrade(s) that: (i) Transmission Provider had publicly noticed as planned and needed for Transmission Provider’s continued reliable delivery of retail electric service to Transmission Provider’s retail load; (ii) are also necessary to support the Requested In-Service Date; and (iii) would otherwise not be completed, pursuant to an expansion plan of Transmission Provider, in time to support such Requested In-Service Date. Upon such request, Transmission Provider will use Reasonable Efforts to advance the construction of such Transmission Provider’s Transmission System Upgrade(s) to accommodate such request; provided that Interconnection Customer commits to pay Transmission Provider any associated expediting costs. Interconnection Customer may be entitled to transmission credits if any, for any expediting costs paid, for projects connecting to a Joint Participation Project. Such transmission credits will only be paid by Joint Participant(s) obligated to pay such credits by a Governmental Authority.

10.2.4 Amended Interconnection System Impact Study.

An Interconnection System Impact Study will be amended to determine the facilities necessary to support the Requested In-Service Date. This amended study will include those transmission facilities and Large Generating Facilities that are expected to be in service on or before the Requested In-Service Date.
Section 12  Section 11. Miscellaneous

12.1  11.1 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 in the course of activities under this LGIPGIP.

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.

12.1.1 11.1.1 Scope.

Confidential Information shall not include information that the receiving Party can demonstrate: (i) is generally available to the public other than as a result of a disclosure by the receiving Party; (ii) was in the lawful possession of the receiving Party on a non-confidential basis before receiving it from the disclosing Party; (iii) 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; (iv) was independently developed by the receiving Party without reference to Confidential Information of the disclosing Party; (v) is, or becomes, publicly known, through no wrongful act or omission of the receiving Party or Breach of this LGIPGIP; or (vi) is required, in accordance with Section 11.1.6, 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 LGIPGIP. 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 11.1.2 Release of Confidential Information.

Neither Party shall release or disclose Confidential Information to any other person, except to its employees, consultants, or to parties who may be or are 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 and has agreed to comply with such provisions.
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 (i) a court or a Governmental 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, or (ii) SRP receives a public records request 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 GIP. Notwithstanding the absence of a protective order or waiver, the Party may disclose such Confidential Information after providing the other Party notice as required by this Section and an opportunity to seek a protective order. Each Party will use Reasonable Efforts to obtain reliable assurance that confidential treatment will be accorded any Confidential Information so furnished. Interconnection Customer understands that, as a political subdivision of the State of Arizona, Transmission Provider may be subject to certain disclosure requirements under the Arizona public records law (A.R.S. § 39-101, et seq.). Provided that Transmission Provider complies with the procedural requirements of this Section and notwithstanding any other provision of this Agreement, SRP may release Interconnection Customer’s Confidential Information to a third party in response to a public records request submitted by such party.

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.
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 11.1.1, 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 11.1, 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 11.1.

11.1.8 Disclosure of Confidential Information.

11.1.8 Any information that a Party claims is 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 GIP or as a transmission service provider or a Balancing Authority Area operator including disclosing the Confidential Information to an RTO or ISO or to a subregional, regional or national reliability organization or planning group. The Party asserting confidentiality shall notify the other Party in writing of the information it claims is confidential. Prior to any disclosures of the other Party's Confidential Information under this subparagraph, or if any third party or Governmental Authority makes any request or demand for any of the information described in this subparagraph, the disclosing Party agrees to promptly notify the other Party in writing and agrees to assert confidentiality and cooperate with the other Party in seeking to protect the Confidential Information from public disclosure by confidentiality agreement, protective order or other reasonable measures.

11.1.9 Exemptions.

11.1.9 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).

11.1.10 Destruction, Return and Retention of Confidential Information.

11.1.10 A Party shall, at the other Party’s election, destroy, in a confidential manner, or return the Confidential Information provided at the time the Confidential Information is no longer needed. A Party shall destroy all such information in tangible form upon written request of the other Party provided, however, that the Party may retain copies of any Confidential Information (including Confidential Information stored on electronic, magnetic or similar media) in accordance with policies and procedures implemented in order to comply with legal and regulatory recordkeeping requirements. The Party will keep such retained copies confidential.
as provided herein and will use them solely for the purpose of recordkeeping compliance.

12.2 Delegation of Responsibility.

Transmission Provider may use the services of subcontractors as it deems appropriate to perform its obligations under this LGIG. Transmission Provider shall remain primarily liable to Interconnection Customer for the performance of such subcontractors and compliance with its obligations of this LGIG. 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.

In the event an Interconnection Customer withdraws its Interconnection Request prior to the commencement of the Cluster Study Process, Interconnection Customer must pay Transmission Provider the actual costs of processing its Interconnection Request. Interconnection Customer will not be assessed a Withdrawal Penalty in this case. Transmission Provider shall charge and Interconnection Customer shall pay the actual costs of the Interconnection Studies. The costs of Cluster studies and Cluster Re-Studies shall be allocated among each Interconnection Customer within the Cluster as follows: (i) ninety percent (90%) of the applicable study costs on a pro-rata basis based on requested megawatts included in the applicable Cluster; and (ii) ten percent (10%) of the applicable study costs on a per capita basis based on the number of Interconnection Requests included in the applicable Cluster.

Transmission Provider shall charge and Interconnection Customer shall pay the actual costs of the Interconnection Studies. Any difference between the study deposit and actual cost of the applicable Interconnection Study shall be paid by or refunded, except as otherwise provided herein, to Interconnection Customer(s) or offset against the cost of any future Interconnection Studies associated with the applicable Interconnection Request prior to beginning any of such future Interconnection Studies. Upon Interconnection Customer’s request, invoices for Interconnection Studies shall include a detailed and itemized accounting of the cost of each Interconnection Study. Interconnection Customer(s) shall pay any such undisputed costs within fifteen (15) Calendar Days of receipt of an invoice therefor. Any Interconnection Customer that fails to pay such undisputed costs within the time allotted shall be deemed to withdraw its Interconnection Request and will be subject to Withdrawal Penalties pursuant to Section 3.9.1 of this GIP. 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.

In the event that funds collected by the Transmission Provider are insufficient to cover the costs of Re-Study(ies), in accordance with Section 12.3, Transmission Provider shall invoice Interconnection Customer(s) for the estimated balance to complete the Re-Study(ies). Interconnection Customer shall submit payment no
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 6.3, 7.4 or 8.3 Transmission Provider gives notice that Transmission Provider will not complete an Interconnection Study within the applicable timeframe for such Interconnection Study, or (iii) Interconnection Customer receives neither does not receive the Interconnection Study nor a notice under Sections 6.3, 7.4 or 8.3 within the applicable timeframe for such Interconnection Study, then Interconnection Customer may require Transmission Provider to utilize a third party consultant reasonably acceptable to Interconnection Customer and Transmission Provider to perform such Interconnection Study under the direction of Transmission Provider. At other times, Transmission Provider may also utilize a third party consultant to perform such Interconnection Study, either in response to a general request of Interconnection Customer, or on its own volition.

In all cases, use of a third party consultant shall be in accord with Article 28 of the LGIA (Subcontractors) GIA. 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 provide all workpapers, data bases, study results and all other supporting documentation prepared to date with respect to the Interconnection Request 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 GIP, Article 28 of the LGIA (Subcontractors) GIA, and the relevant 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 GIP, the LGIP GIA, or their performance, such Party (the "disputing Party") shall provide the other Party with written notice of the dispute or claim ("a 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 LGIPGIP.

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 up on 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 therefor. The arbitrator(s) shall be authorized only to interpret and apply the provisions of the Tariff and any Service Agreement entered into under the Tariff and shall have no power to modify or change any provision any of the above in any manner. Judgment on the arbitrator’s decision may be entered in any court having jurisdiction. The Parties shall agree upon a standard of review for the arbitrator’s decision at the time the dispute is submitted to arbitration. The decision of the arbitrator must also be submitted to SRP’s Board of Directors for a final decision if it affects rates, terms or conditions of service or facilities.

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: (i) 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 (ii) one half the cost of the single arbitrator jointly chosen by the Parties.
12.5.5 Dispute Resolution.

12.5.5 If a Party has submitted a Notice of Dispute pursuant to section 11.5.1, 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 11.5 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 11.5 arbitration process. The process in section 11.5 shall serve as an alternative to, and not a replacement of, the 11.5 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 LGIGIP and LGIAGIA and shall have no power to modify or change any provision of the LGIGIP and LGIAGIA 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 11.5 arbitration. Each Party shall be responsible for its own costs incurred during the process and the cost of the decision-maker shall be divided equally among each Party to the dispute.

12.6 Local Furnishing Bonds and other Tax-Exempt 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 LGIGIP and LGIAGIA, Transmission Provider shall not be required to provide Interconnection Service to Interconnection Customer pursuant to this LGIGIP and LGIAGIA if the provision of such Interconnection 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 Transmission Providers that Own Facilities Financed by Other Tax-Exempt Bonds.

This provision is applicable only to a Transmission Provider that has financed facilities with tax-exempt bonds, as described in Section 103 of the Internal Revenue Code (other than local furnishing bonds) (“tax-exempt bonds”).
Notwithstanding any other provisions of this LGIA GIP and LGIAThe GIA, Transmission Provider shall not be required to provide Interconnection Service to Interconnection Customer pursuant to this LGIA GIP and LGIAThe GIA if the provision of such Interconnection Service would jeopardize the tax-exempt status of any tax-exempt bond(s) used to finance Transmission Provider’s facilities that would be used in providing such Interconnection Service.

12.6.3 11.6.3 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) or tax-exempt bonds 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.
INSTRUCTIONS: Interconnection Customer shall complete this Interconnection Request Form and applicable attachments. Pursuant to Section 3 of this GIP, submit all documentation to: SRPInterconnections@srpnet.com.

Note: This GIP Interconnection Request Form applies to all Interconnection Requests.

Queue Position will be determined based on the receipt date and time of when all required items are received.

After a project is queued, any change to what is submitted will have to be formally evaluated to determine if the requested change is material.

For the Interconnection Request to be deemed valid, the following items must be executed by the Interconnection Customer and submitted to SRP:

☐ Completed Interconnection Request Form (via email)
☐ Cluster System Impact Study Agreement
☐ Point of Interconnection Facilities Study Agreement
☐ Network Upgrade(s) Facilities Study Agreement
☐ Non-Disclosure Agreement

For the Interconnection Request to be deemed valid, the following items must be submitted to SRP:

☐ Evidence of Site Control – Submit completed Attachment A of the Site Control Business Practice (see Section 3.3.1(v) of the GIP and SRP’s Business Practice for Site Control for requirements
☐ Evidence of Commercial Readiness – see Section 3.3.1(vii) of the GIP for requirements
☐ Completed Attachment A and/or B to Appendix 1 as for each different type of generator (via email)
  ☐ General Electric Company Power Systems Load Flow (PSLF) model data (via email.epc)
☐ $250,000 deposit (via wire transfer). Send email request for wire transfer instructions.
☐ Dynamic model for each operating mode (.dyd)
☐ Documentation showing Interconnection Customer is authorized to transact business in Arizona
For the Interconnection Request to be deemed valid, the following items must be received by SRP:

☐ Application Fee in the amount of five-thousand dollars ($5,000)

☐ Study Deposit in the amount of seventy-five thousand dollars ($75,000) plus one-thousand dollars ($1,000) per MW of requested Generating Facility Capacity, not to exceed two-hundred-fifty thousand dollars ($250,000)

For the Interconnection Request to be deemed valid, the following items must be received via a cash payment or letter of credit:

☐ A Security Deposit in the amount of one-hundred thousand dollars ($100,000)

☐ Evidence If applicable, a Deposit in Lieu of Site Control (via email) or ☐ additional $10,000 deposit (via wire transfer) in the amount of five-hundred thousand dollars ($500,000)

☐ If applicable, a Deposit in Lieu of Commercial Readiness of seventy-five thousand dollars ($75,000) per MW of requested Generating Facility Capacity not to exceed seven million five hundred thousand dollars ($7,500,000). If a Deposit in Lieu of Commercial Readiness is submitted an additional Security Deposit need not be submitted pursuant to Section 3.3.1(vi) of the GIP.

ALL FUNDS TO BE SENT VIA ACH OR WIRE TRANSFER

Email address: SRPInterconnections@srpnet.com

Refer to SRP’s Interconnection Request Deposit and Readiness Milestone Payments Business Practice for instructions.

Note: This LGIP Interconnection request form applies to generators that have a Requested Capacity In-Service larger than 20MW. Queue position will be determined based on the receipt date and time of when all required items are received.

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

☐ A proposed new Generating Facility.

☐ A change in the generating capacity of an existing Generating Facility or a Material Modification to an existing Generating Facility.

☐ A Material Modification evaluation for a currently queued project:

Queue Position No.:_______

Description of all requested changes:_______

☐ Replacement of Existing Generating Facility with no increase in capacity:

Date of Cessation of Operation of Existing Generating Facility:_______

Expected Commercial Operation Date for Replacement Generator Facility:_______
2. Project and Contact Information:

I. Project Name: _____

II. Address or location of the new or existing Generating Facility site:
   a. Street Address or major crossroads: _____
   b. City, State: _____
   c. County: _____
   d. Zip Code: _____
   e. GPS Coordinates (decimal format):
      Latitude: _____ Longitude: _____
   f. Acreage of site: _____

III. Approximate location of the proposed Point of Interconnection (POI) (i.e., specify substation name and voltage OR transmission line name, voltage level and approximate distance to nearest substation):
   _____

IV. General Description and arrangement diagram of project, generation type, fuels, and equipment configuration, transformer connections, line impedances.
   _____

V. Aggregate Generating Facility Capacity:
   A. Generating Facility Gross Max Nameplate Capacity \( \text{max nameplate capacity} \) _____ (MW)
   B. Generating Facility Auxiliary Load \( \text{auxiliary load} \) _____ (MW)
   C. Generating Facility Net Max Capacity \( \text{net capacity} \) _____ (MW)
   D. Generating Facility Station Service Load \( \text{station service load} \) (if any) _____ (MW)
   E. Requested Maximum Capacity In-Service (total MW max injection at POI) \( \text{Note 1} \) _____ (MW)
      a. Requested Maximum Capacity – summer _____ (MW)
      b. Requested Maximum Capacity – winter _____ (MW)
F. If the Generating Facility Capacity is more than the Requested Maximum Capacity, describe the controls that will be in place to limit the output at the POI to the Requested Maximum Capacity:

_____  

G. If there is storage capability for the Generating Facility, identify whether the charging will be from on-site generation or whether the charging will be from the grid and what the capacity and characteristics of any grid charging will be:

_____  

VI. Type of generating unit(s) and aggregate Gross Max Nameplate Capacity for each type:

a. Rotating Synchronous Generator - Complete Attachment A to Appendix 1  
   i. Type: __________ (MW)  
   ii. Type: __________ (MW)  
   Example Types: Cogeneration, Reciprocating Engine, Biomass, Steam Turbine, Gas Turbine, Hydro, Pumped-Storage Hydro, Combined cycle, Concentrated Solar, etc.

b. Inverter Based - Complete Attachment B to Appendix 1  
   i. Type: __________ (MW)  
   ii. Type: __________ (MW)  
   Example Types: Wind, Photovoltaic, Battery Storage etc.

c. Other  
   a. Complete Attachment A or B to Appendix 1, as applicable;
b. Other (please describe): _____ (MW)

VII. Requested Dates written as XX(day), month(word), 20XX(year), e.g. 10 April 2018) (these dates are needed for all phases of a project):

a. Requested In-Service Date: ______

b. Requested Initial Synchronization Date: ______

c. Requested Commercial Operation Date: ______

Note: Repeat this information for all phases of the project.

VIII. Name, address, telephone number, and e-mail address of the Interconnection Customer’s primary contact person:

a. Name: ______

b. Title: ______

c. Company Name: ______

d. Street Address: ______

e. City, State: ______

f. Zip Code: ______

g. Phone Number: ______

h. Fax Number: ______

i. Email Address: ______

IX. If this Interconnection Request is for Generation Replacement, Interconnection Customer must submit:

a. Planned or Actual date of cessation of operation for the Existing Generating Facility: ______

b. Expected Commercial Operation Date for the Replacement Generating Facility: ______

3. This Interconnection Request is submitted by:

I. Company Name/DBA Name: ______

II. Name (type or print): ______

III. Title: ______
IV. Date: 

V. Signature: ______________________________________________

☐ I understand that checking this box constitutes a legal signature confirming that I am the person indicated above and I am authorized to submit this Large Generator Interconnection Request on behalf of the company indicated in this form. I also understand that by checking this box I am attesting to the validity and accuracy of the information provided in this Interconnection Request Form and all applicable attachments.

☐ I also understand that by checking this box, I acknowledge that I have read and agree to SRP’s GIP and GIA, including the withdrawal penalty provisions therein. I also understand that requesting substantive revisions to the GIA may require additional review and approval, including review and acceptance by the SRP Board and the Joint Participants if an interconnection request proposes to interconnect to a Joint Participant Project.
Rotating Synchronous Generating Facility Data

(This Attachment A to Appendix 1 must be completed for each of the Rotating Synchronous Generator types that were identified in section 2.VI.a of the Interconnection Request Form for a Large Generating Facility.)

1. Provide via Email the following (SRP will not accept this data on CD, DVD or USB):
   
   I. Site drawing to scale, showing generator location and Point of Interconnection with the SRP system.
   
   II. Single-line diagram showing applicable equipment such as generating units, step-up transformers, auxiliary transformers, switches/disconnects of the proposed interconnection, including the required protection devices and circuit breakers.

2. Turbine/Generator Unit Information by type (Attach information for other types and variations within each type)
   
   I. 
   
   Generator type: ______
   
   For example: Cogeneration, Reciprocating Engine, Biomass, Steam Turbine, Gas Turbine, Hydro, Combined cycle, Concentrated Solar, etc.
   
   a. Number of Generating Units of this type: ______
   
   b. Gross Max Nameplate Capacity of each unit (MW): ______
   
   c. Generator auxiliary load for each unit (MW): ______
   
   d. Generator net capacity of each unit (A.-B.) (MW): ______
   
   e. Auxiliary load when Generator is off-line (MW): ______
   
   f. Auxiliary load of each unit when Generator is on-line (MW): ______
   
   g. Max auxiliary load during generator start-up for each unit (MW): ______
   
   h. Please attach seasonal or temperature generation profile for each unit
   
   i. Manufacturer: ______
   
   j. Year Manufactured: ______
   
   k. Nominal Terminal Voltage (kV): ______
   
   l. Phase (three phase or single phase): ______
   
   m. Connection (Delta, Grounded WYE, Ungrounded WYE, impedance grounded): ______
n. Generator Voltage Regulation Range (+/- %): _____
o. Generator Power Factor Regulation Range: _____
p. For combined cycle plants, specify the plant net output capacity (MW) for an outage of the steam turbine or an outage of a single combustion turbine _____
q. Other operating modes generators are capable of (condensing pumping, etc.)
r. Rated Generator speed (rpm): _____
s. Rated MVA: _____
t. Rated Generator Power Factor: _____
u. Generator Efficiency at Rated Load (%): _____
v. Moment of Inertia (including prime mover), WR² (lb. ft.²): _____
w. Inertia Time Constant (on machine base) H: _____ sec or MJ/MVA
x. SCR (Short-Circuit Ratio - the ratio of the field current required for rated open-circuit voltage to the field current required for rated short-circuit current): _____
y. Qmax at rated capacity: _____
z. Qmin at rated capacity: _____
aa. Please attach generator reactive capability curves.
bb. Please attach a plot of generator terminal voltage versus field current that shows the air gap line, the open-circuit saturation curve, and the saturation curve at full load and rated power factor.

3. **Excitation System Information**

(Please repeat the following for each generator model)

Attach the block diagram of the excitation system from its instruction manual. The diagram should show the input, output, and all feedback loops of the excitation system.

I. Indicate the Manufacturer _____ and Type _____ of excitation system used for the generator. For exciter type, please choose from 1 to 8 below or describe in 9 the specific excitation system.

- [ ] 1-. Rotating DC commutator exciter with continuously acting regulator. The regulator power source is independent of the generator terminal voltage and current.
2. Rotating DC commutator exciter with continuously acting regulator. The regulator power source is bus fed from the generator terminal voltage.

3. Rotating DC commutator exciter with non-continuously acting regulator (i.e., regulator adjustments are made in discrete increments).

4. Rotating AC Alternator Exciter with non-controlled (diode) rectifiers. The regulator power source is independent of the generator terminal voltage and current (not bus-fed).

5. Rotating AC Alternator Exciter with controlled (thyristor) rectifiers. The regulator power source is fed from the exciter output voltage.

6. Rotating AC Alternator Exciter with controlled (thyristor) rectifiers.

7. Static Exciter with controlled (thyristor) rectifiers. The regulator power source is bus-fed from the generator terminal voltage.

8. Static Exciter with controlled (thyristor) rectifiers. The regulator power source is bus-fed from a combination of generator terminal voltage and current (compound-source controlled rectifiers system).

9. Other (specify): _____

II. Attach a copy of the block diagram of the excitation system from its instruction manual. The diagram should show the input, output, and all feedback loops of the excitation system.

III. Excitation system response ratio (ASA): _____

IV. Full load rated exciter output voltage: _____

V. Maximum exciter output voltage (ceiling voltage): _____

VI. Other comments regarding the excitation system?

_____  

4. Power System Stabilizer Information

Attach the block diagram of the PSS from the PSS Instruction Manual and the correspondence between dial settings and the time constants or PSS gain.

(Please repeat items 4.I to 4.V for each generator model. Note: All new generators are required to install PSS unless an exemption has been obtained from WECC. Such an exemption can be obtained for units that do not have suitable excitation systems.)

I. Manufacturer: _____

II. Is the PSS digital or analog? _____

III. Note the input signal source for the PSS:
a. □ Bus frequency □ Shaft speed □ Bus Voltage

b. □ Other (specify source): ______

IV. Please attach a copy of a block diagram of the PSS from the PSS Instruction Manual and the correspondence between dial settings and the time constants or PSS gain.

V. Other comments regarding the PSS?

____

5. Turbine-Governor Information

(Please repeat the following for each generator model. Please complete Complete 5.I for steam, gas or combined-cycle turbines, 5.II for hydro turbines, and 5.III for both.)

I. Steam, gas or combined-cycle turbines:
   a. List type of unit (Steam, Gas, or Combined-cycle): ______
   b. If steam or combined-cycle, does the turbine system have a reheat process (i.e., both high and low pressure turbines)? ______
   c. If steam with reheat process, or if combined-cycle, indicate in the space provided, the percent of full load power produced by each turbine:
      i. Low pressure turbine or gas turbine: ______%  
      ii. High pressure turbine or steam turbine: ______%

II. Hydro turbines:
   a. Turbine efficiency at rated load: ______%  
   b. Length of penstock: _____ ft  
   c. Average cross-sectional area of the penstock: _____ ft²  
   d. Typical maximum head (vertical distance from the bottom of the penstock, at the gate, to the water level): _____ ft  
   e. Is the water supply run-of-the-river or reservoir: ______
   f. Water flow rate at the typical maximum head: _____ ft³/sec  
   g. Average energy rate: _____ kW-hrs/acre-ft  
   h. Estimated yearly energy production: _____ kW-hrs

III. Complete this section for each machine, independent of the turbine type.
6. Generator Short Circuit Data

I. For each generator model, provide the following reactances expressed in p.u. on the generator base:
   a. $X'^1$ – positive sequence sub transient reactance: ____ p.u.
   b. $X_2$ – negative sequence reactance: ____ p.u.
   c. $X_0$ – zero sequence reactance: ____

II. For each generator model, select the generator grounding (select 1 for each model):
   a. ☐ Solidly grounded
   c. ☐ Ungrounded

7. Step-Up Transformer Data

I. For each step-up transformer, fill out the data form provided in Table 1 in Attachment C.

8. Generator Tie Line Data

I. Nominal Voltage: ____ kV
II. Line Length: ____ miles
III. Line termination Points: ____
IV. Conductor Type: _____ Size: _____
V. If bundled. Number per phase: _____, Bundle spacing: _____ in.
VI. Phase Configuration. Vertical: _____, Horizontal: _____
VII. Phase Spacing: A-B: _____ ft., B-C: _____ ft., C-A: _____ ft.
VIII. Distance of lowest conductor to Ground at full load and 40 C: _____ ft
IX. Ground Wire Type: _____ Size: _____ Distance to Ground: _____ ft
X. Attach Tower Configuration Diagram
XI. Summer line ratings in amperes (normal and emergency) _____
XII. Positive Sequence Resistance ( R ): _____ p.u.** (for entire line length)
XIII. Positive Sequence Reactance: ( X ): _____ p.u**(for entire line length)
XIV. Zero Sequence Resistance ( R0 ): _____ p.u.** (for entire line length)
XV. Zero Sequence Reactance: ( X0 ): _____ p.u** (for entire line length)
XVI. Line Charging (B/2): _____ p.u**

** On 100-MVA and nominal line voltage (kV) Base

9. Load Flow and Dynamic Models (this data should be provided electronically as instructed by SRP).

Provide load flow model for the generating plant and its interconnection facilities in GE PSLF *.epc format, including new buses, generators, transformers, interconnection facilities. An equivalent model is required for the plant with generation collector systems. This data should reflect the technical data provided in this Attachment A.

For each generator, governor, exciter and power system stabilizer, select the appropriate dynamic model from the General Electric PSLF Program Manual available in WECCs Approved Dynamic Model Library, and provide the required input data***. Please provide dynamic model for each operating mode a generator can be operated, such as condensing or pumping mode. Please note, a completed *.dyd file that contains the information specified in this section will be needed prior to performing the Interconnection System Impact Study. However, a *.dyd file is not required needs to be provided at the time of the submission of this Interconnection Request Form.

SRP cannot assist in the creation or modification of .dyd and .epc files.

If you require assistance in developing the models, we suggest you contact General Electric. Accurate models are important to obtain accurate study results. Costs associated with any changes in facility requirements that are due to differences between
model data provided by the generation developer and the actual generator test data, may be the responsibility of the generation developer. Failure to provide accurate models with the Interconnection Request Form may result in the withdrawal of the project.

***By convention dynamic model paragraphs are calculated on the machine base.
Inverter-Based Generating Facility Resource Data

(This Attachment B to Appendix 1 must be completed for each of the Inverter-Based Generator types that were identified in section 2.VI.b of the Interconnection Request Form for a Large Generating Facility type.

1. Provide via Email the following (SRP will not accept this data on CD, DVD or USB):

   I. Site drawing to scale, showing generator location and Point of Interconnection with the SRP system.
   II. Single-line diagram showing applicable equipment such as generating units, step-up transformers, auxiliary transformers, switches/disconnects of the proposed interconnection, including the required protection devices and circuit breakers. For wind and photovoltaic generator plants, the one line diagram should include the distribution lines connecting the various groups of generating units, the generator capacitor banks, the step-up transformers, the distribution lines, and the substation transformers and capacitor banks at the Point of Interconnection with the SRP System.

2. Inverter-Based Resource information by type

   2. Inverter-based Generator Unit information by type (Attach information for other types and variations within each type).

      Attach a copy of the inverter reactive capability curves.

   I. Generator type: ________

      For example: Wind, Photovoltaic, Battery Storage etc.
      If wind turbine, specify the turbine type (1-4): ________ If battery storage, specify the technology type: ________

      a. Number of aggregated Generating Units: ________
      b. Gross Max Nameplate Capacity of each unit (MW): ________
      c. CrossMax Nameplate charging load of each unit (MW): ________
      d. Generator net capacity of each unit (A.-B.) (MW): ________
      e. Auxiliary load when Generator is off-line (MW): ________
      f. Auxiliary load when Generator is on-line (MW): ________
      g. Charging Load if grid charging (MW): ________
      h. Max auxiliary load during generator start-up for each unit (MW): ________
i. Please attach seasonal or temperature generation profile for each unit

j. Inverter Manufacturer: _____

k. Manufacturer Make: _____

l. Manufacturer Model Number: _____
m. Year Manufactured: _____

n. Nominal Terminal Voltage (kV): _____
o. Phase (three phase or single phase): _____
p. Connection (Delta, Grounded WYE, Ungrounded WYE, impedance grounded): _____

q. Reactive Power Control Mode (Voltage, Power Factor, Constant Q): _____
r. Generator Voltage Regulation Range (+/- %): _____
s. Generator Power Factor Regulation Range: _____
t. Rated MVA: _____
u. Rated Generator Power Factor: _____
v. Inverter Efficiency at Rated Load (%): _____
w. SCR (Short-Circuit Ratio - the ratio of the field current required for rated open-circuit voltage to the field current required for rated short-circuit current): _____

x. Qmax at rated capacity: _____
y. Qmin at rated capacity: _____
z. Please attach inverter reactive capability curves.

3. Induction Generator Data:
   I. Rated Generator Power Factor at rated load: _____
   II. Do you wish reclose blocking? □ Yes □ No

Note: Sufficient capacitance may be on the line now, or in the future, and the generator may self-excite unexpectedly.

4. Wind Generators
I. Number of generators to be interconnected pursuant to this Interconnection Request: ______

II. Rated: ______

III. Field Volts: ______

IV. Rated Field Amperes: ______

V. Motoring Power (MW): ______

VI. Neutral Grounding Resistor (if applicable): ______ I22t or K (Heating Time Constant): ______

VII. Rotor Resistance: ______

VIII. Stator Resistance: ______

IX. Stator Reactance: ______

X. Rotor Reactance: ______

XI. Magnetizing Reactance: ______

XII. Short Circuit Reactance: ______

XIII. Exciting Current: ______

XIV. Reactive Power Required in Vars (No Load): ______

XV. Reactive Power Required in Vars (Full Load): ______

XVI. Total Rotating Inertia, H: ______ Per Unit on 100 MVA Base

5. Generator Short Circuit Data

I. For each generator model, provide the following reactances expressed in p.u. on the generator base:

a. X"1 – positive sequence subtransient reactance: ______ p.u.**

b. X2 – negative sequence reactance: ______ p.u.**

c. X0 – zero sequence reactance: ______

d. Generator X/R ratio: ______

II. For each generator model, select the generator grounding (select 1 for each model):

a. □ Solidly grounded
b. □ Grounded through an impedance (Impedance value in p.u on generator base) R: _____p.u. X: _____p.u.)

c. □ Ungrounded

6. **Step-Up Transformer Data**

I. For each step-up transformer, **fill out the data form** provided in Table 1 in Attachment C.

7. **Generator Tie Line Data**

I. Nominal Voltage: _____kV

II. Line Length: _____miles

III. Line termination Points: _____

IV. Conductor Type: _____ Size: _____

V. If bundled. Number per phase: _____, Bundle spacing: _____in.

VI. Phase Configuration. Vertical: _____, Horizontal: _____

VII. Phase Spacing: A-B: _____ft., B-C: _____ft., C-A: _____ft.

VIII. Distance of lowest conductor to Ground at full load and 40 C: _____ft

IX. Ground Wire Type: _____ Size: _____ Distance to Ground: _____ft

X. **Attach** Tower Configuration Diagram

XI. Summer line ratings in amperes (normal and emergency) _____

XII. Positive Sequence Resistance ( R ): _____p.u.** (for entire line length)

XIII. Positive Sequence Reactance: ( X ): _____p.u** (for entire line length)

XIV. Zero Sequence Resistance ( R0 ): _____p.u.** (for entire line length)

XV. Zero Sequence Reactance: ( X0 ): _____p.u** (for entire line length)

XVI. Line Charging (B/2): _____p.u**

** On 100-MVA and nominal line voltage (kV) Base

8. **For Wind/photovoltaic plants, collector System Equivalence Impedance Data**

(Provide values for each equivalence collector circuit at all voltage levels.)

I. Nominal Voltage: _____
II. Summer line ratings in amperes (normal and emergency) ____

III. Positive Sequence Resistance (R1): ______ p.u. ** (for entire line length of each collector circuit)

IV. Positive Sequence Reactance: (X1): ______ p.u** (for entire line length of each collector circuit)

V. Zero Sequence Resistance (R0): ______ p.u. ** (for entire line length of each collector circuit)

VI. Zero Sequence Reactance: (X0): ______ p.u** (for entire line length of each collector circuit)

VII. Line Charging (B/2): ______ p.u** (for entire line length of each collector circuit)

** On 100-MVA and nominal line voltage (kV) Base

9. Additional Information for Inverter based resources

   I. Number of inverters to be interconnected pursuant to this Interconnection Request: ______

   II. Provide the protection settings for all equipment or software: ______
III. Provide EMT models to address sub-synchronous resonance and sub harmonic assessment as described in the Business Practice located on SRP's OASIS: 

IV. Momentary cessation threshold: _____p.u.** time delay (if in use)*: _____sec

V. Additional grid support feature/technologies (e.g. synthetic inertia, weak grid support, Plant Control): 

VI. Provide supporting information for all advance features: 

VII. Provide a block diagram or description of the control system aggregator coordinating active and reactive power for systems with a Battery Energy Storage System. 

*Note due to major outages caused by the use of momentary cessation settings on BES connected resources, the use of momentary cessation is not recommended.

**On 100-MVA and nominal line voltage (kV) Base

10. Load Flow and Dynamic Models (this data should be provided electronically as instructed by SRP).

Provide load flow model for the generating plant and its interconnection facilities in GE PSLF *.epc format, including all new buses, generators, transformers, interconnection transmission facilities. An equivalenced model is required for the plant with generation collector systems. This data should reflect the technical data provided in this Attachment B.

For inverter based generating facilities, select the appropriate generator and control models from the General Electric PSLF Program Manual and provide the required input data.

Please note, a completed *.dyd file that contains the information specified in this section will be needed prior to performing the Interconnection System Impact Study. However, a *.dyd file is not required at the time of submission of this Interconnection Request Form.

SRP cannot assist in the creation or modification of .dyd and .epc files.

If you require assistance in developing the models, we suggest you contact General Electric. Accurate models are important to obtain accurate study results. Costs associated with any changes in facility requirements that are due to differences between model data provided by the generation developer and the actual generator test data, may be the responsibility of the generation developer. Failure to provide accurate models with the Interconnection Request Form may result in the withdrawal of the project.
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### CURRENT TRANSFORMER RATIOS

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<td>X</td>
</tr>
<tr>
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<td>Y</td>
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Supply copy of nameplate and manufacturer’s test report within ninety (90) days of In-Service Date.

**APPENDIX 2 to LGIP**
Declaration of Site Control

I, _______, hereby declare and state as follows:

1. I am a(n) ______ [officer or an authorized employee, member or agent] of ______ (Interconnection Customer) for the Interconnection Request associated with ______ and am authorized by Interconnection Customer to bind Interconnection Customer.

2. Interconnection Customer has (1) submitted to Transmission Provider all of the Site Control documents in their entirety for ______ as required pursuant to SRP’s Site Control requirements which are referenced in Transmission Provider’s Business Practice manual, (2) that such documents satisfy the Site Control requirements, and (3) should the Interconnection Customer revise or supplement any of the documents submitted with the Interconnection Request, then the Interconnection Customer will provide Transmission Provider with the updated documents.

3. I have reviewed all such Site Control documents submitted for ______ and have personal knowledge of its contents.

4. Interconnection Customer has Site Control for ______ acres of land for its Generating Facility and ______ linear miles for its Gen-Tie line.

5. Interconnection Customer has the right to develop, construct, operate, and maintain the Generating Facility or the land right to develop, construct, operate and maintain the Generating Facility and the Interconnection Customer’s Interconnection Facilities, and there are no superior rights or encumbrances to the land prohibiting the Interconnection Customer from developing, constructing, operating or maintaining the Generating Facility as proposed in the Interconnection Request.

6. Interconnection Customer possesses Site Control in accordance with Section 3 of the GIP.

I declare under penalty of perjury that the foregoing is true and correct.

By: __________________________

Name: _________________________

Title: __________________________
MUTUAL NONDISCLOSURE AGREEMENT

THIS MUTUAL NONDISCLOSURE AGREEMENT (this “Agreement”) between Salt River Project Agricultural Improvement and Power District, an agricultural improvement district organized and existing under the laws of the State of Arizona (“SRP”); and ______________, a(n) __________________ organized and existing under the laws of the State of ________________ (“Company”).

RECITALS

For the purpose of furthering a potential business relationship between them with respect to Company’s Interconnection Request for [Insert Name of Project]__________________ (the “Purpose”), SRP and Company (collectively, the “Parties” and individually each a “Party”) have determined to establish terms governing the use and protection of certain information one Party (“Owner”) may disclose to the other Party (“Recipient”). In some cases, the information that may be shared may be designated by either or both Parties to be Critical Energy/Electric Infrastructure Information (“CEII”) or Bulk Electric System (“BES”) Cyber System Information (“BCSI”).

TERMS AND CONDITIONS

Accordingly, for good and valuable consideration, the receipt and sufficiency of which are acknowledged, the Parties agree as follows:

1. Definitions:
   a. “Confidential Information” means non-public information of an Owner, including Covered Information, in whatever form transmitted, that is marked “Confidential by Owner and which relates to the Owner’s business or the above-identified Purpose, including business, technical, financial, personnel and planning information and data, or which, although not related to the Purpose, is nevertheless disclosed as a result of the Parties’ discussions in that regard, provided that such information: (i) if disclosed in writing or by email or other tangible electronic storage medium, is clearly marked “Confidential” or “Proprietary,” or (ii) if initially disclosed orally or visually, is substantially similar to the subject matter of information contained in material that is identified as confidential or is described as confidential at the time of disclosure and confirmed as such in writing within seven (7) days after the date of the oral disclosure. Regardless of whether marked or described as Confidential Information, however, any non-public information regarding the customers, employees or contractors of SRP or Company shall be deemed Confidential Information of the Owner.

   b. “Covered Information” means Confidential Information of an Owner that has been classified by the Owner as CEII or BCSI.

   c. “Derivative Information” means new information containing, or created using, any Confidential Information, as well as Confidential Information that has been stored, processed, or transmitted electronically. Derivative Information is considered to be Covered Information if the information utilized to create such new information was classified as Covered Information.
2. Treatment and Protection of Confidential Information:

a. Confidential Information - General: Recipient shall keep confidential all Confidential Information that has been or will be provided to it by Owner, including the fact that discussions regarding the Purpose are taking place. Recipient shall not, without the prior written consent of Owner, disclose any of the Confidential Information in whole or in part to any third party (except as otherwise provided in this Section 2). Recipient may use Confidential Information of Owner only for the Purpose and shall protect such Confidential Information from disclosure to others, using the same degree of care used to protect its own proprietary information of like importance, but in any case using no less than a reasonable degree of care. Recipient may disclose Confidential Information received hereunder to its directors, officers, employees and consultants, and its Affiliates’ directors, officers, employees and consultants (collectively, “Representatives”), who, in all such cases, have a need to know for the Purpose, and who are bound to protect the received Confidential Information from unauthorized use and disclosure. Recipient will be responsible for any unauthorized use or disclosure of Confidential Information by its Representatives.

b. Covered Information: The Owner will make every Reasonable Effort to mark all Covered Information in tangible form with the legend ‘CEII’, ‘BCSI’, ‘Critical Energy Infrastructure Information,’ ‘BES Cyber System Information’ or similar marking. If the Recipient believes that information received from Owner but not bearing such a legend is or may be Covered Information, or if there is any question whatsoever as to whether such information is Covered Information, Recipient shall contact Owner to seek guidance in that regard. Recipient shall maintain all Covered Information in a secure place that is not accessible to the employees and agents of Recipient who do not have a need to know its contents. Recipient is responsible for maintaining Exhibit A or Exhibit B, as applicable, to this Agreement, which provide a list of the Recipient’s Representatives that Recipient has determined have a need to know Covered Information and to which Recipient has provided access to Covered Information. Recipient is responsible for confirming a Representative’s eligibility, updating Exhibit A or Exhibit B, as applicable, and providing it to the Owner no less than annually. With respect to Covered Information, each Party also will assure that access by any third party to BCSI shall only be granted in accordance with North American Electric Reliability Corporation Critical Infrastructure Protection Standards, and access by any third party to CEII shall occur in accordance with applicable regulatory requirements.

c. The restrictions of this Agreement on use and disclosure of Confidential Information shall not apply to information that: (i) is in the possession or control of Recipient at the time of its disclosure hereunder; (ii) is, or becomes publicly known, through no wrongful act of Recipient; (iii) is received by Recipient from a third party free to disclose it without obligation to Owner; (iv) is developed independently by Recipient; or (v) is lawfully required to be disclosed to any governmental agency or is otherwise required to be disclosed by law; provided, however, that the Recipient shall notify Owner, as soon as reasonably practical, of any order or request to disclose Confidential Information, or that such an order is being sought, or request has been made, so that the Owner may have an opportunity to take appropriate action to maintain confidential
Notwithstanding the foregoing, Covered Information does not become public simply because some part of it is public or because similar information is public.

3. Company understands that, as a political subdivision of the State of Arizona, SRP may be subject to certain disclosure requirements under the Arizona public records law (A.R.S. § 39-101, et seq.). Provided that SRP complies with the procedural requirements of Section 2 above, and notwithstanding any other provision of this Agreement, SRP may release Company’s Confidential Information to a third party in response to a public records request submitted by such party.

4. Confidential Information disclosed under this Agreement (including information in computer software or held in electronic storage media) shall be and remain the property of Owner. All such information in tangible form shall be destroyed upon written request by Owner; provided, however, that Recipient may retain copies of any Confidential Information (including such stored on electronic, magnetic or similar media) in accordance with policies and procedures implemented in order to comply with legal and regulatory recordkeeping requirements. Recipient will protect such retained copies in accordance with this Agreement and, for Covered Information, any applicable regulatory requirements, and will use them solely for the purpose of recordkeeping compliance. No licenses or rights under any patent, copyright, or trademark are granted or are to be implied by this Agreement.

5. The Parties agree that, in the event of a Breach or threatened Breach of the terms of this Agreement, the Owner shall be entitled to an injunction prohibiting any such Breach. Any such relief shall be in addition to and not in lieu of any appropriate relief in the way of money damages. The Parties acknowledge that Confidential Information is unique and that disclosure in Breach of this Agreement will result in irreparable injury to the Owner.

6. Owner shall not have any liability or responsibility for errors or omissions in, or any business decision made by Recipient in reliance on, any Confidential Information disclosed under this Agreement.

7. In no event, whether based upon contract, indemnity, warranty, tort (including negligence), strict liability or otherwise will either Party be liable to the other party for indirect, incidental, consequential, special, punitive or exemplary damages arising out of any Breach of this Agreement (even if such Party has been advised of or could have reasonably foreseen the possibility of such damages).

8. This Agreement shall become effective as of the last date set forth beneath the Parties’ signatures below and shall automatically expire one year thereafter; provided, however, that either Party may terminate this Agreement upon 30 days prior written notice to the other Party. Further, Owner may revoke the Recipient’s access to Covered Information at any time, with or without advance notice.

9. The obligations contained herein with respect to Confidential Information shall survive and continue for a period of one year after expiration or termination of this Agreement. However, with respect to Covered Information, the confidentiality obligations and covenants of this Agreement will survive until the Owner or a court of competent jurisdiction determines that the Covered Information is no longer CEII or BCSI, or else shall remain in effect as long as permitted by law.

10. The term “affiliate” means any person or entity controlling, controlled by, or under common control with a Party.
11. This Agreement may be executed in counterparts, including in facsimile and electronic formats (including portable document format (.pdf)) and with use of an electronic or digital signature, each of which will be deemed an original and all of which, when taken together, constitute one and the same instrument.

12. This Agreement: (i) is the complete agreement of the Parties concerning the subject matter hereof and supersedes any prior non-disclosure or similar agreements (whether oral or written) with respect to further disclosures of such subject matter; (ii) shall not be construed to create any obligation on the part of any Party to retain the services of or to compensate each other in any manner, except as may be set forth by a separate written agreement duly executed by the relevant Parties; (iii) may not be amended or in any manner modified except in writing signed by the Parties; and (iv) shall be governed and construed in accordance with the laws of the State of Arizona without regard to its choice of law provisions. Any action, suit or proceeding arising out of or relating to this Agreement shall be prosecuted in a court of competent jurisdiction in Maricopa County, Arizona, and the Parties irrevocably submit to the jurisdiction of any such court. Each Party hereby expressly waives any rights that it may have to a trial by jury with respect to any suit or proceeding brought by or against it or any of its Affiliates relating to this Agreement or the subject matter of this Agreement. If any provision of this Agreement is deemed by a court of competent jurisdiction to be unenforceable, the remainder shall be enforced as fully as possible and the unenforceable provision shall be deemed modified to the limited extent required to permit its enforcement in a manner most closely representing the intention of the Parties as expressed herein.

IN WITNESS WHEREOF, each of the Parties hereto has caused this Agreement to be executed as of the date set forth above by its duly authorized representative.

Salt River Project Agricultural Improvement and Power District

By: __________________________

Its: __________________________

Date: _________________________

[Insert Company Name]

By: __________________________

Its: __________________________

Date: _________________________
EXHIBIT A

SRP’s Representatives

Name: ___________________     Date:  __________________
Name: ___________________     Date:  __________________
Name: ___________________     Date:  __________________
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EXHIBIT B

[Insert Name of Company] Representatives

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INTERCONNECTION CLUSTER SYSTEM IMPACT STUDY AGREEMENT

THIS AGREEMENT is made and entered into this __________ day of __________, 20___, by and between ____________________________, a(n) ____________________________, organized and existing under the laws of the State of ____________________________, and the Salt River Project Agricultural Improvement and Power District, an agricultural improvement district organized and existing under the laws of the State of Arizona, (“Interconnection Customer” with a Generating Facility), and ____________________________, (“Transmission Provider”). Interconnection Customer and Transmission Provider each may be referred to as a “Party” or collectively as the “Parties.”

RECITALS

WHEREAS, Interconnection Customer is proposing to develop a Large Generating Facility or generating capacity, addition to an existing Generating Facility consistent with the Interconnection Request submitted by Interconnection Customer dated __________________________; and

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

WHEREAS, Interconnection Customer has requested Transmission Provider to perform an Interconnection Cluster System Impact Study to assess the impact of interconnecting the Large Generating Facility to the Transmission System, and of any Affected Systems; and

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

1.0  When used in this Agreement, with initial capitalization, the terms specified shall have the meanings indicated in Transmission Provider's LGIP.

2.0  Interconnection Customer elects and Transmission Provider shall cause to be performed an Interconnection Cluster System Impact Study consistent with Section 6.06 of this LGIP.

3.0  The scope of the Interconnection Cluster System Impact Study shall be subject to the assumptions set forth in Attachment A to this Agreement.

4.0  The Interconnection Cluster System Impact Study will be based upon the technical information provided by Interconnection Customer in the Interconnection Request, subject to any modifications in accordance with Section 4.45.5 of the LGIP. Transmission Provider reserves the right to request additional technical information from Interconnection Customer as may reasonably become necessary consistent with Good Utility Practice during the course of the Interconnection Cluster System Impact Study. If any Interconnection Customer in the Cluster System Impact Study modifies its designated Point of Interconnection, Interconnection Request, or the technical information provided therein is modified, the time to complete the Interconnection Cluster System Impact Study may be extended.

5.0  The Interconnection Cluster System Impact Study report shall provide the following information:
- identification of any circuit breaker short circuit capability limits exceeded as a result of the interconnection;
- identification of any thermal overload or voltage limit violations resulting from the interconnection;
- identification of any instability or inadequately damped response to system disturbances resulting from the interconnection; and
- description and non-binding, good faith estimated cost of facilities required to interconnect the Large Generating Facility to the Transmission System and to address the identified short circuit, instability, and power flow issues.

6.0 Interconnection Customer will be responsible for all costs incurred by Transmission Provider associated with the Interconnection System Impact Study.

7.0 Transmission Provider's good faith estimate for the time of completion of the Interconnection System Impact Study is [insert date].

8.0 Miscellaneous.

8.1 Binding Effect. This Agreement and the rights and obligations hereof, shall be binding upon and shall inure to the benefit of the successors and permitted assigns of the Parties hereto.

8.2 Governing Law. The validity, interpretation and performance of this Agreement and each of its provisions shall be governed by the laws of the State of Arizona, without regard to its conflicts of law principles.

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

8.3.1 Good Standing. Such Party is duly organized, validly existing and in good standing under the laws of the state in which it is organized, formed, or incorporated, as applicable; it is qualified to do business in the state or states in which the Large Generating Facility, Interconnection Facilities and Network Upgrades are located; and it has the power and authority to own its properties, to carry on its business as now being conducted and to enter into this Agreement and carry out the transactions contemplated hereby and perform and carry out all covenants and obligations on its part to be performed under and pursuant to this Agreement.

8.3.2 Authority. Such Party has the right, power and authority to enter into this Agreement, to become a Party hereto and to perform its obligations hereunder. This Agreement is a legal, valid and binding obligation of such Party, enforceable against such Party in accordance with its terms, except as the enforceability thereof may be limited by applicable bankruptcy, insolvency, reorganization or other similar laws affecting creditors’ rights generally and by general equitable principles (regardless of whether enforceability is sought in a proceeding in equity or at law).
8.3.3 No Conflict. The execution, delivery and performance of this Agreement does not violate or conflict with the organizational or formation documents, or bylaws or operating agreement, of such Party, or any judgment, license, permit, order, material agreement or instrument applicable to or binding upon such Party or any of its assets.

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

8.4 Conflicts. In the event of a conflict between the body of this Agreement and any appendices hereto, the terms and provisions of the body of this Agreement shall prevail and be deemed the final intent of the Parties.

8.5 Rules of Interpretation. This Agreement, unless a clear contrary intention appears, shall be construed and interpreted as follows: (1) the singular number includes the plural number and vice versa; (2) reference to any agreement (including this Agreement), document, instrument or tariff means such agreement, document, instrument, or tariff as amended or modified and in effect from time to time in accordance with the terms thereof and, if applicable, the terms hereof; (3) reference to any Applicable Laws and Regulations or Applicable Reliability Standards means such Applicable Laws and Regulations or Applicable Reliability Standards as amended, modified, codified, or reenacted, in whole or in part, and in effect from time to time, including, if applicable, rules and regulations promulgated thereunder; (4) unless expressly stated otherwise, reference to any Article, Section or Appendix means such Article of this Agreement or such Appendix to this Agreement; (5) “hereunder”, “hereof”, “herein”, “hereto” and words of similar import shall be deemed references to this Agreement as a whole and not to any particular Article or other provision hereof or thereof; (6) “including” (and with correlative meaning “include”) means including without limiting the generality of any description preceding such term; and (7) relative to the determination of any period of time, “from” means “from and including”, “to” means “to but excluding” and “through” means “through and including”.

8.6 Construction. This Agreement shall be construed as though the Parties participated equally in the drafting of the Agreement. Consequently, the Parties acknowledge and agree that any rule of construction that a document is to be construed against the drafting Party shall not be applicable to this Agreement.

8.7 Entire Agreement. This Agreement, including all Appendices attached hereto, constitutes the entire agreement between the Parties with reference to the subject matter hereof, and supersedes all prior and contemporaneous understandings or agreements, oral or written, between the Parties with respect to the subject matter of this Agreement. There are no other agreements, representations, warranties, or covenants which constitute any part of the consideration for, or any condition to, either Party’s compliance with its obligations under this Agreement.
8.8 No Third Party Beneficiaries. This Agreement is not intended to and does not create rights, remedies, or benefits of any character whatsoever in favor of any persons, corporations, associations, or entities other than the Parties, and the obligations herein assumed are solely for the use and benefit of the Parties, their successors in interest and, where permitted, their assigns.

8.9 Waiver. The failure of a Party to this Agreement to insist, on any occasion, upon strict performance of any provision of this Agreement will not be considered a waiver of any obligation, right, or duty of, or imposed upon, such Party. Any waiver at any time by either Party of its rights with respect to this Agreement shall not be deemed a continuing waiver or a waiver with respect to any other failure to comply with any other obligation, right, or duty of this Agreement. Any waiver of this Agreement shall, if requested, be provided in writing.

8.10 Headings. The descriptive headings of the various Articles or Sections of this Agreement have been inserted for convenience of reference only and are of no significance in the interpretation or construction of this Agreement.

8.11 Multiple Counterparts. This Agreement may be executed in two or more counterparts, each of which is deemed an original but all constitute one and the same instrument.

8.12 No Partnership. This Agreement shall not be interpreted or construed to create an association, joint venture, agency relationship, or partnership between the Parties or to impose any partnership obligation or partnership liability upon either Party. Neither Party shall have any right, power or authority to enter into any agreement or undertaking for, or act on behalf of, or to act as or be an agent or representative of, or to otherwise bind, the other Party.

8.13 Amendment. The Parties may by mutual agreement amend this Agreement by a written instrument duly executed by the Parties.

8.14 Assignment. This Agreement may be assigned by either Party only with the written consent of the other; provided that either Party may assign this Agreement without the consent of the other Party to any Affiliate of the assigning Party with an equal or greater credit rating and with the legal authority and operational ability to satisfy the obligations of the assigning Party under this Agreement; and provided further that Interconnection Customer shall have the right to assign this Agreement, without the consent of Transmission Provider, for collateral security purposes to aid in providing financing for the Large-Generating Facility, provided that Interconnection Customer will promptly notify Transmission Provider of the date and particulars of any such exercise of assignment right(s). Any attempted assignment that violates this Section is void and ineffective. Any assignment under this Agreement shall not relieve a Party of its obligations, nor shall a Party's obligations be enlarged, in whole or in part, by reason thereof. Where required, consent to assignment will not be unreasonably withheld, conditioned or delayed.
Indemnity. The Parties shall at all times indemnify, defend, and hold the other Party ("Indemnified Party") harmless from, any and all damages, losses, claims, demand, suits, recoveries, costs and expenses, court costs, attorney fees, and all other obligations by or to third parties, for injury to or death of any person or damage to property, arising out of or resulting from the Indemnified Party's action or inactions of its obligations under this Agreement on behalf of the Indemnifying Party, except in cases of gross negligence or intentional wrongdoing by the indemified Indemnified Party.

8.15.1 Indemnified Party. If an Indemnified Party is entitled to indemnification under this Section 8.15 as a result of a claim by a third party, and the Indemnifying Party fails, after notice and reasonable opportunity to proceed under Section 8.15 to assume the defense of such claim, such Indemnified Party may at the expense of the Indemnifying Party contest, settle or consent to the entry of any judgment with respect to, or pay in full, such claim.

8.15.2 Indemnifying Party. If an Indemnifying Party is obligated to indemnify and hold any Indemnified Person harmless under this Section 8.15, the amount owing to the Indemnified Party shall be the amount of such Indemnified Party's actual Loss, net of any insurance or other recovery.

8.15.3 Indemnity Procedures. Promptly after receipt by an Indemnified Party of any claim or notice of the commencement of any action or administrative or legal proceeding or investigation as to which the indemnity provided for in Section 8.15 may apply, the Indemnified Party shall notify the Indemnifying Party of such fact. Any failure of or delay in such notification shall not affect a Party's indemnification obligation unless such failure or delay is materially prejudicial to the Indemnifying Party. The Indemnifying Party shall have the right to assume the defense thereof with counsel designated by such Indemnifying Party and reasonably satisfactory to the Indemnified Party. If the defendants in any such action include one or more Indemnified Parties and the Indemnifying Party and if the Indemnified Party reasonably concludes that there may be legal defenses available to it and/or other Indemnified Parties which are different from or additional to those available to the Indemnifying Party, the Indemnified Party shall have the right to select separate counsel to assert such legal defenses and to otherwise participate in the defense of such action on its own behalf. In such instances, the Indemnifying Party shall only be required to pay the fees and expenses of one additional attorney to represent an Indemnified Party or Indemnified Parties having such differing or additional legal defenses.

The Indemnified Party shall be entitled, at its expense, to participate in any such action, suit or proceeding, the defense of which has been assumed by the Indemnifying Party.

Notwithstanding the foregoing, the Indemnifying Party (i) shall not be entitled to assume and control the defense of any such action, suit or proceedings if and to the extent that, in the opinion of the Indemnified Party and its counsel, such action, suit or proceeding involves the potential imposition of criminal liability on the Indemnified Party, or there exists a conflict or adversity of interest between the Indemnified Party and the Indemnifying Party, in such event the Indemnifying Party shall pay the reasonable expenses of the
Indemnified Party, and (ii) shall not settle or consent to the entry of any judgment in any action, suit or proceeding without the consent of the Indemnified Party, which shall not be reasonably withheld, conditioned or delayed.

9.0. Consequential Damages. In no event shall either Party be liable under any provision of this Agreement for any losses, damages, costs or expenses for any special, indirect, incidental, consequential, or punitive damages, including but not limited to loss of profit or revenue, loss of the use of equipment, cost of capital, cost of temporary equipment or services, whether based in whole or in part in contract, in tort, including negligence, strict liability, or any other theory of liability.

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

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<th>[Insert name of Transmission Provider or Transmission Owner, if applicable]</th>
<th>[Insert name of Interconnection Customer]</th>
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[Insert name of Transmission Provider or Transmission Owner, if applicable]
| By: _____________________________ | By: _____________________________ |
| Title: ___________________________ | Title: ___________________________ |
| Date: ___________________________ | Date: ___________________________ |

[Insert name of Interconnection Customer]
| By: _____________________________ | |
| Title: ___________________________ | |
| Date: ___________________________ | |

App 3.1-6
SRP Standard GIP-Cluster System Impact Study Agrmt
Effective: November 7, 2023
ASSUMPTIONS USED IN CONDUCTING THE
CLUSTER INTERCONNECTION SYSTEM IMPACT STUDY

The Interconnection Cluster System Impact Study will be based upon the following assumptions:

Designation of Point of Interconnection and configuration to be studied.

Designation of alternative Point(s) of Interconnection and configuration.

Study of Interconnection Customer’s preferred or requested Point of Interconnection or configuration or any alternatives thereto does not convey rights to any such specific Point(s) of Interconnection or configuration, Transmission Provider retains all rights to grant, through an executed Interconnection Agreement, interconnection to specific Point(s) of Interconnection and configurations based upon impacts to reliability of Transmission Provider’s system.

[Above assumptions to be completed by Interconnection Customer and other assumptions to be provided by Interconnection Customer and Transmission Provider]

APPENDIX 3 to LGIP
POINT OF INTERCONNECTION FACILITIES STUDY AGREEMENT

THIS AGREEMENT is made and entered into this Click or tap to enter a date., by and between Name of Interconnection Customer a(n) Type of Organization organized and existing under the laws of the State/Commonwealth of Click or tap here to enter text. (Interconnection Customer with a Generating Facility), and Salt River Project Agricultural Improvement and Power District, an agricultural improvement district organized and existing under the laws of the State of Arizona (Transmission Provider). Interconnection Customer and Transmission Provider each may be referred to as a “Party” or collectively as the “Parties.”

RECITALS

WHEREAS, Interconnection Customer is proposing to develop a Generating Facility or Generating Facility Capacity addition to an existing Generating Facility consistent with the Interconnection Request submitted by Interconnection Customer dated _____; and

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

WHEREAS, Interconnection Customer has requested Transmission Provider to perform a Point of Interconnection Facilities Study to determine the appropriate location for the Point of Interconnection within a switchyard or substation to interconnect the Generating Facility at the Point of Interconnection in accordance with Good Utility Practice.

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

1.0. When used in this Agreement, with initial capitalization, the terms specified shall have the meanings indicated in Transmission Provider’s GIP.

2.0. Interconnection Customer elects and Transmission Provider shall cause a Point of Interconnection Facilities Study consistent with Section 8 of the GIP to be performed in accordance with the Tariff.

3.0. The scope of the Point of Interconnection Facilities Study shall be subject to the assumptions set forth in Attachment A and the data provided in Attachment B to this Agreement.

4.0. The Point of Interconnection Facilities Study report shall provide a description, estimated cost of (consistent with Attachment A to this Agreement), schedule for required facilities to interconnect the Generating Facility to the Transmission System.

5.0. Interconnection Customer shall be responsible for all costs incurred by Transmission Provider associated with the Point of Interconnection Facilities Study. Any difference between the Interconnection Customer’s deposit and the actual cost of the study shall be paid by or refunded to Interconnection Customer, as appropriate or applied to subsequent study costs, all as provided for in the GIP.

The time for completion of the Point of Interconnection Facilities Study is specified in Attachment A to this Agreement.
6.0. Miscellaneous.

6.1. Binding Effect. This Agreement and the rights and obligations hereof, shall be binding upon and shall inure to the benefit of the successors and permitted assigns of the Parties hereto.

6.2. Governing Law. The validity, interpretation and performance of this Agreement and each of its provisions shall be governed by the laws of the State of Arizona, without regard to its conflicts of law principles.

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

6.3.1. Good Standing. Such Party is duly organized, validly existing and in good standing under the laws of the state in which it is organized, formed, or incorporated, as applicable; it is qualified to do business in the state or states in which the Generating Facility, Interconnection Facilities and Network Upgrade(s) owned by such Party, as applicable, are located; and it has the power and authority to own its properties, to carry on its business as now being conducted and to enter into this Agreement and carry out the transactions contemplated hereby and perform and carry out all covenants and obligations on its part to be performed under and pursuant to this Agreement.

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

6.3.3. No Conflict. The execution, delivery and performance of this Agreement does not violate or conflict with the organizational or formation documents, or bylaws or operating agreement, of such Party, or any judgment, license, permit, order, material agreement or instrument applicable to or binding upon such Party or any of its assets.

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

6.4. Conflicts. In the event of a conflict between the body of this Agreement and any appendices hereto, the terms and provisions of the body of this Agreement shall prevail and be deemed the final intent of the Parties.

6.5. Rules of Interpretation. This Agreement, unless a clear contrary intention appears, shall be construed and interpreted as follows: (1) the singular number includes the plural number and vice versa; (2) reference to any agreement (including this Agreement), document, instrument or tariff means such agreement, document,
instrument, or tariff as amended or modified and in effect from time to time in accordance with the terms thereof and, if applicable, the terms hereof; (3) reference to any Applicable Laws and Regulations or Applicable Reliability Standards means such Applicable Laws and Regulations or Applicable Reliability Standards as amended, modified, codified, or reenacted, in whole or in part, and in effect from time to time, including, if applicable, rules and regulations promulgated thereunder; (4) unless expressly stated otherwise, reference to any Article, Section or Appendix means such Article of this Agreement or such Appendix to this Agreement, as the case may be; (5) “hereunder”, “hereof”, “herein”, “hereto” and words of similar import shall be deemed references to this Agreement as a whole and not to any particular Article or other provision hereof or thereof; (6) “including” (and with correlative meaning “include”) means including without limiting the generality of any description preceding such term; and (7) relative to the determination of any period of time, “from” means “from and including”, “to” means “to but excluding” and “through” means “through and including”.

6.6. Construction. This Agreement shall be construed as though the Parties participated equally in the drafting of the Agreement. Consequently, the Parties acknowledge and agree that any rule of construction that a document is to be construed against the drafting Party shall not be applicable to this Agreement.

6.7. Entire Agreement. This Agreement, including all Appendices attached hereto, constitutes the entire agreement between the Parties with reference to the subject matter hereof, and supersedes all prior and contemporaneous understandings or agreements, oral or written, between the Parties with respect to the subject matter of this Agreement. There are no other agreements, representations, warranties, or covenants which constitute any part of the consideration for, or any condition to, either Party's compliance with its obligations under this Agreement.

6.8. No Third Party Beneficiaries. This Agreement is not intended to and does not create rights, remedies, or benefits of any character whatsoever in favor of any persons, corporations, associations, or entities other than the Parties, and the obligations herein assumed are solely for the use and benefit of the Parties, their successors in interest and, where permitted, their assigns.

6.9. Waiver. The failure of a Party to this Agreement to insist, on any occasion, upon strict performance of any provision of this Agreement will not be considered a waiver of any obligation, right, or duty of, or imposed upon, such Party. Any waiver at any time by either Party of its rights with respect to this Agreement shall not be deemed a continuing waiver or a waiver with respect to any other failure to comply with any other obligation, right, or duty of this Agreement. Any waiver of this Agreement shall, if requested, be provided in writing.

6.10. Headings. The descriptive headings of the various Articles or Sections of this Agreement have been inserted for convenience of reference only and are of no significance in the interpretation or construction of this Agreement.

6.11. Multiple Counterparts. This Agreement may be executed in two or more counterparts, each of which is deemed an original but all constitute one and the same instrument.
6.12. No Partnership. This Agreement shall not be interpreted or construed to create an association, joint venture, agency relationship, or partnership between the Parties or to impose any partnership obligation or partnership liability upon either Party. Neither Party shall have any right, power or authority to enter into any agreement or undertaking for, or act on behalf of, or to act as or be an agent or representative of, or to otherwise bind, the other Party.

6.13. Amendment. The Parties may by mutual agreement amend this Agreement by a written instrument duly executed by the Parties.

6.14. Assignment. This Agreement may be assigned by either Party only with the written consent of the other; provided that either Party may assign this Agreement without the consent of the other Party to any Affiliate of the assigning Party with an equal or greater credit rating and with the legal authority and operational ability to satisfy the obligations of the assigning Party under this Agreement; and provided further that Interconnection Customer shall have the right to assign this Agreement, without the consent of Transmission Provider, for collateral security purposes to aid in providing financing for the Generating Facility, provided that Interconnection Customer will promptly notify Transmission Provider of any such assignment. Any financing arrangement entered into by Interconnection Customer pursuant to this Section will provide that prior to or upon the exercise of the secured party’s trustee’s or mortgagee’s assignment rights pursuant to said arrangement, the secured creditor, the trustee or mortgagee will notify Transmission Provider of the date and particulars of any such exercise of assignment right(s). Any attempted assignment that violates this Section is void and ineffective. Any assignment under this Agreement shall not relieve a Party of its obligations, nor shall a Party’s obligations be enlarged, in whole or in part, by reason thereof. Where required, consent to assignment will not be unreasonably withheld, conditioned or delayed.

6.15. Indemnity. The Parties shall at all times indemnify, defend, and hold the other Party (“Indemnified Party”) harmless from, any and all damages, losses, claims, demand, suits, recoveries, costs and expenses, court costs, attorney fees, and all other obligations by or to third parties, for injury to or death of any person or damage to property, arising out of or resulting from the Indemnified Party’s action or inactions of its obligations under this Agreement on behalf of the Indemnifying Party, except in cases of gross negligence or intentional wrongdoing by the Indemnified Party.

6.15.1. Indemnified Party. If an Indemnified Party is entitled to indemnification under this Section 6.15 as a result of a claim by a third party, and the Indemnifying Party fails, after notice and reasonable opportunity to proceed under this Section 6.15 to assume the defense of such claim, such Indemnified Party may at the expense of the Indemnifying Party contest, settle or consent to the entry of any judgment with respect to, or pay in full, such claim.

6.15.2. Indemnifying Party. If an Indemnifying Party is obligated to indemnify and hold any Indemnified Person harmless under this Section 6.15, the amount owing to the Indemnified Party shall be the amount of such Indemnified Party’s actual Loss, net of any insurance or other recovery.

6.15.3. Indemnity Procedures. Promptly after receipt by an Indemnifying Party of any claim or notice of the commencement of any action or administrative or legal proceeding or investigation as to which the indemnity provided for in Section
6.15.1 may apply, the Indemnified Party shall notify the Indemnifying Party of such fact. Any failure of or delay in such notification shall not affect a Party's indemnification obligation unless such failure or delay is materially prejudicial to the Indemnifying Party. The Indemnifying Party shall have the right to assume the defense thereof with counsel designated by such Indemnifying Party and reasonably satisfactory to the Indemnified Party. If the defendants in any such action include one or more Indemnified Parties and the Indemnifying Party and if the Indemnified Party reasonably concludes that there may be legal defenses available to it and/or other Indemnified Parties which are different from or additional to those available to the Indemnifying Party, the Indemnified Party shall have the right to select separate counsel to assert such legal defenses and to otherwise participate in the defense of such action on its own behalf. In such instances, the Indemnifying Party shall only be required to pay the fees and expenses of one additional attorney to represent an Indemnified Party or Indemnified Parties having such differing or additional legal defenses.

The Indemnified Party shall be entitled, at its expense, to participate in any such action, suit or proceeding, the defense of which has been assumed by the Indemnifying Party. Notwithstanding the foregoing, the Indemnifying Party (i) shall not be entitled to assume and control the defense of any such action, suit or proceedings if and to the extent that, in the opinion of the Indemnified Party and its counsel, such action, suit or proceeding involves the potential imposition of criminal liability on the Indemnified Party, or there exists a conflict or adversity of interest between the Indemnified Party and the Indemnifying Party, in such event the Indemnifying Party shall pay the reasonable expenses of the Indemnified Party, and (ii) shall not settle or consent to the entry of any judgment in any action, suit or proceeding without the consent of the Indemnified Party, which shall not be reasonably withheld, conditioned or delayed.

7.0. Consequential Damages. In no event shall either Party be liable under any provision of this Agreement for any losses, damages, costs or expenses for any special, indirect, incidental, consequential, or punitive damages, including but not limited to loss of profit or revenue, loss of the use of equipment, cost of capital, cost of temporary equipment or services, whether based in whole or in part in contract, in tort, including negligence, strict liability, or any other theory of liability.

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

[Insert name of Transmission Provider or Transmission Owner, if applicable]  [Insert name of Interconnection Customer]

By: __________________________  By: __________________________
Title: __________________________  Title: __________________________
Date: __________________________  Date: __________________________
INTERCONNECTION CUSTOMER SCHEDULE FOR CONDUCTING

THE NETWORK UPGRADES 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-five (105) Calendar Days after finalizing the Cluster System Impact Study report.
NETWORK UPGRADES FACILITIES STUDY AGREEMENT

THIS AGREEMENT is made and entered into this ___ day of _____________, 20___, by and between __________________________, a __________________________, Name of Interconnection Customer a(n) Type of Organization organized and existing under the laws of the State of __________________________, ("/Commonwealth of Click or tap here to enter text. (Interconnection Customer") with a Generating Facility), and the Salt River Project Agricultural Improvement and Power District, an agricultural improvement district organized and existing under the laws of the State of Arizona, ("Transmission Provider"). Interconnection Customer and Transmission Provider each may be referred to as a “Party” or collectively as the “Parties.”

RECITALS

WHEREAS, Interconnection Customer is proposing to develop a Large Generating Facility or generating capacity, Generating Facility Capacity, addition to an existing Generating Facility consistent with the Interconnection Request submitted by Interconnection Customer dated ____ ; and

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

WHEREAS, Transmission Provider has completed an Interconnection Network Upgrade(s) Facilities Study consistent with Section 8.08 of this LGIP the GIP to be performed in accordance with the Tariff.

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

1.0 When used in this Agreement, with initial capitalization, the terms specified shall have the meanings indicated in Transmission Provider’s Large Generator Interconnection Procedures GIP.

2.0 Interconnection Customer elects and Transmission Provider shall cause an Interconnection Network Upgrade(s) Facilities Study consistent with Section 8.08 of this LGIP the GIP to be performed in accordance with the Tariff.

3.0 The scope of the Interconnection Network Upgrade(s) Facilities Study shall be subject to the assumptions set forth in Attachment A to this Agreement and the data provided in Attachment B to this Agreement.

4.0 The Interconnection Network Upgrade(s) Facilities Study report (i) shall provide a description, estimated cost of (consistent with Attachment A), schedule for required facilities to interconnect the Large Generating Facility to the Transmission System and (ii) shall address the short circuit, instability, and power flow issues identified in the Interconnection Cluster System Impact Study.
5.0. Interconnection Customer shall be responsible for all costs incurred by Transmission Provider associated with the Interconnection Network Upgrade(s) Facilities Study. Any difference between the Interconnection Customer’s deposit and the actual cost of the study shall be paid by or refunded to Interconnection Customer, as appropriate or applied to subsequent study costs, all as provided for in the LGIPGIP.

The time for completion of the Interconnection Network Upgrade(s) Facilities Study is specified in Attachment A to this Agreement.

6.0. Miscellaneous.

6.1. Binding Effect. This Agreement and the rights and obligations hereof, shall be binding upon and shall inure to the benefit of the successors and permitted assigns of the Parties hereto.

6.2. Governing Law. The validity, interpretation and performance of this Agreement and each of its provisions shall be governed by the laws of the State of Arizona, without regard to its conflicts of law principles.

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

6.3.1. Good Standing. Such Party is duly organized, validly existing and in good standing under the laws of the state in which it is organized, formed, or incorporated, as applicable; it is qualified to do business in the state or states in which the Large Generating Facility, Interconnection Facilities and Network Upgrades Upgrade(s) owned by such Party, as applicable, are located; and it has the power and authority to own its properties, to carry on its business as now being conducted and to enter into this Agreement and carry out the transactions contemplated hereby and perform and carry out all covenants and obligations on its part to be performed under and pursuant to this Agreement.

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

6.3.3. No Conflict. The execution, delivery and performance of this Agreement does not violate or conflict with the organizational or formation documents, or bylaws or operating agreement, of such Party, or any judgment, license, permit, order, material agreement or instrument applicable to or binding upon such Party or any of its assets.

6.3.4. Consent and Approval. Such Party has sought or obtained, or, in accordance with this Agreement will seek or obtain, each consent, approval, authorization, order, or acceptance by any Governmental Authority in connection with the execution, delivery and performance of this Agreement and it will provide to any Governmental Authority notice of any actions under this Agreement that are required by Applicable Laws and Regulations.
6.4 Conflicts. In the event of a conflict between the body of this Agreement and any appendices hereto, the terms and provisions of the body of this Agreement shall prevail and be deemed the final intent of the Parties.

6.5 Rules of Interpretation. This Agreement, unless a clear contrary intention appears, shall be construed and interpreted as follows: (1) the singular number includes the plural number and vice versa; (2) reference to any agreement (including this Agreement), document, instrument or tariff means such agreement, document, instrument, or tariff as amended or modified and in effect from time to time in accordance with the terms thereof and, if applicable, the terms hereof; (3) reference to any Applicable Laws and Regulations or Applicable Reliability Standards means such Applicable Laws and Regulations or Applicable Reliability Standards as amended, modified, codified, or reenacted, in whole or in part, and in effect from time to time, including, if applicable, rules and regulations promulgated thereunder; (4) unless expressly stated otherwise, reference to any Article, Section or Appendix means such Article of this Agreement or such Appendix to this Agreement or such Section to this Agreement or such Appendix to this Agreement, as the case may be; (5) “hereunder”, “hereof”, “herein”, “hereto” and words of similar import shall be deemed references to this Agreement as a whole and not to any particular Article or other provision hereof or thereof; (6) “including” (and with correlative meaning “include”) means including without limiting the generality of any description preceding such term; and (7) relative to the determination of any period of time, “from” means “from and including”, “to” means “to but excluding” and “through” means “through and including”.

6.6 Construction. This Agreement shall be construed as though the Parties participated equally in the drafting of the Agreement. Consequently, the Parties acknowledge and agree that any rule of construction that a document is to be construed against the drafting Party shall not be applicable to this Agreement.

6.7 Entire Agreement. This Agreement, including all Appendices attached hereto, constitutes the entire agreement between the Parties with reference to the subject matter hereof, and supersedes all prior and contemporaneous understandings or agreements, oral or written, between the Parties with respect to the subject matter of this Agreement. There are no other agreements, representations, warranties, or covenants which constitute any part of the consideration for, or any condition to, either Party’s compliance with its obligations under this Agreement.

6.8 No Third Party Beneficiaries. This Agreement is not intended to and does not create rights, remedies, or benefits of any character whatsoever in favor of any persons, corporations, associations, or entities other than the Parties, and the obligations herein assumed are solely for the use and benefit of the Parties, their successors in interest and, where permitted, their assigns.

6.9 Waiver. The failure of a Party to this Agreement to insist, on any occasion, upon strict performance of any provision of this Agreement will not be considered a waiver of any obligation, right, or duty of, or imposed upon, such Party. Any waiver at any time by either Party of its rights with respect to this Agreement shall not be deemed a continuing waiver or a waiver with respect to any other failure to comply with any other obligation, right, or duty of this Agreement. Any waiver of this Agreement shall, if requested, be provided in writing.
6.10 Headings. The descriptive headings of the various Articles or Sections of this Agreement have been inserted for convenience of reference only and are of no significance in the interpretation or construction of this Agreement.

6.11 Multiple Counterparts. This Agreement may be executed in two or more counterparts, each of which is deemed an original but all constitute one and the same instrument.

6.12 No Partnership. This Agreement shall not be interpreted or construed to create an association, joint venture, agency relationship, or partnership between the Parties or to impose any partnership obligation or partnership liability upon either Party. Neither Party shall have any right, power or authority to enter into any agreement or undertaking for, or to act on behalf of, or to act as or be an agent or representative of, or to otherwise bind, the other Party.

6.13 Amendment. The Parties may by mutual agreement amend this Agreement by a written instrument duly executed by the Parties.

6.14 Assignment. This Agreement may be assigned by either Party only with the written consent of the other; provided that either Party may assign this Agreement without the consent of the other Party to any Affiliate of the assigning Party with an equal or greater credit rating and with the legal authority and operational ability to satisfy the obligations of the assigning Party under this Agreement; and provided further that Interconnection Customer shall have the right to assign this Agreement, without the consent of Transmission Provider, for collateral security purposes to aid in providing financing for the Large-Generating Facility, provided that Interconnection Customer will promptly notify Transmission Provider of any such assignment. Any financing arrangement entered into by Interconnection Customer pursuant to this Section will provide that prior to or upon the exercise of the secured party's trustee's or mortgagee's assignment rights pursuant to said arrangement, the secured creditor, the trustee or mortgagee will notify Transmission Provider of the date and particulars of any such exercise of assignment right(s). Any attempted assignment that violates this Section is void and ineffective. Any assignment under this Agreement shall not relieve a Party of its obligations, nor shall a Party's obligations be enlarged, in whole or in part, by reason thereof. Where required, consent to assignment will not be unreasonably withheld, conditioned or delayed.

6.15 Indemnity. The Parties shall at all times indemnify, defend, and hold the other Party (“Indemnified Party”) harmless from, any and all damages, losses, claims, demand, suits, recoveries, costs and expenses, court costs, attorney fees, and all other obligations by or to third parties, for injury to or death of any person or damage to property, arising out of or resulting from the Indemnified Party's action or inactions of its obligations under this Agreement on behalf of the Indemnifying Party, except in cases of gross negligence or intentional wrongdoing by the Indemnified Party.

6.15.1 Indemnified Party. If an Indemnified Party is entitled to indemnification under this Section 8.166.15 as a result of a claim by a third party, and the Indemnifying Party fails, after notice and reasonable opportunity to proceed under this Section 8.166.15 to assume the defense of such claim, such Indemnified Party may at the expense of the Indemnifying Party contest, settle or consent to the entry of any judgment with respect to, or pay in full, such claim.
6.15.2 Indemnifying Party. If an Indemnifying Party is obligated to indemnify and hold any Indemnified Person harmless under this Section 4.15, the amount owing to the Indemnified Party shall be the amount of such Indemnified Party's actual Loss, net of any insurance or other recovery.

6.15.3 Indemnity Procedures. Promptly after receipt by an Indemnified Party of any claim or notice of the commencement of any action or administrative or legal proceeding or investigation as to which the indemnity provided for in Section 8.16.16.15.1 may apply, the Indemnified Party shall notify the Indemnifying Party of such fact. Any failure of or delay in such notification shall not affect a Party’s indemnification obligation unless such failure or delay is materially prejudicial to the Indemnifying Party. The Indemnifying Party shall have the right to assume the defense thereof with counsel designated by such Indemnifying Party and reasonably satisfactory to the Indemnified Party. If the defendants in any such action include one or more Indemnified Parties and the Indemnifying Party and if the Indemnifying Party reasonably concludes that there may be legal defenses available to it and/or other Indemnified Parties which are different from or additional to those available to the Indemnifying Party, the Indemnified Party shall have the right to select separate counsel to assert such legal defenses and to otherwise participate in the defense of such action on its own behalf. In such instances, the Indemnifying Party shall only be required to pay the fees and expenses of one additional attorney to represent an Indemnified Party or Indemnified Parties having such differing or additional legal defenses.

The Indemnified Party shall be entitled, at its expense, to participate in any such action, suit or proceeding, the defense of which has been assumed by the Indemnifying Party. Notwithstanding the foregoing, the Indemnifying Party (i) shall not be entitled to assume and control the defense of any such action, suit or proceedings if and to the extent that, in the opinion of the Indemnified Party and its counsel, such action, suit or proceeding involves the potential imposition of criminal liability on the Indemnified Party, or there exists a conflict or adversity of interest between the Indemnified Party and the Indemnifying Party, in such event the Indemnifying Party shall pay the reasonable expenses of the Indemnified Party, and (ii) shall not settle or consent to the entry of any judgment in any action, suit or proceeding without the consent of the Indemnified Party, which shall not be reasonably withheld, conditioned or delayed.

7.0 Consequential Damages. In no event shall either Party be liable under any provision of this Agreement for any losses, damages, costs or expenses for any special, indirect, incidental, consequential, or punitive damages, including but not limited to loss of profit or revenue, loss of the use of equipment, cost of capital, cost of temporary equipment or services, whether based in whole or in part in contract, in tort, including negligence, strict liability, or any other theory of liability.

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

[Insert name of Transmission Provider or Transmission Owner, if applicable Signatures on Next Page]
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INTERCONNECTION CUSTOMER SCHEDULE FOR CONDUCTING

THE NETWORK UPGRADES 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-five (105) Calendar Days after finalizing the Cluster System Impact Study report.
DATA FORM TO BE PROVIDED BY INTERCONNECTION CUSTOMER WITH THE NETWORK UPGRADES FACILITIES STUDY AGREEMENT

- Provide location plan and simplified one-line diagram of the plant and station facilities. For staged projects, please indicate future generation, transmission circuits, etc.

- One set of metering is required for each generation connection to the new ring bus or existing Transmission Provider station. Number of generation connections:

- On the one-line diagram indicate the generation capacity attached at each metering location. (Maximum load on CT/PT)

- On the one-line diagram indicate the location of auxiliary power. (Minimum load on CT/PT) Amps

- Will an alternate source of auxiliary power be available during CT/PT maintenance?
  □ Yes □ No

- Will a transfer bus on the generation side of the metering require that each meter set be designed for the total plant generation? □ Yes □ No (Please indicate on one line diagram).

- What type of control system or PLC will be located at Interconnection Customer's Generating Facility?

- What protocol does the control system or PLC use?

- Please provide a 7.5-minute quadrangle of the site. Sketch the plant, station, transmission line, and property line.

- Physical dimensions of the proposed interconnection station:
  
- Bus length from generation to interconnection station:

- Line length from interconnection station to Transmission Provider's transmission line.
  
- Tower number observed in the field. (Painted on tower leg)*

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

  *To be completed in coordination with Transmission Provider.

- Is the Generating Facility in the Transmission Provider's service area? □ Yes □ No

  If no, who is the local provider:
• Please provide proposed schedule dates:

Begin Construction Date: 

Requested In-Service Date: Date: -

Requested Initial Synchronization Date: Date: 

[Insert name of Interconnection Customer]

By: 

Title: 

Commercial Operation Date: Date: 

[Insert name of Interconnection Customer]

By: 

Title: 

Commercial Operation Date: Date:
Transitional System Impact Study Agreement

THIS AGREEMENT is made and entered into this [Click or tap to enter a date.], by and between Name of Interconnection Customer [Name of Interconnection Customer], a(n) Type of Organization organized and existing under the laws of the State/Commonwealth of [State/Commonwealth], and Salt River Project Agricultural Improvement and Power District, an agricultural improvement district organized and existing under the laws of the State of Arizona (Transmission Provider). Interconnection Customer and Transmission Provider each may be referred to as a “Party” or collectively as the “Parties.”

RECITALS

WHEREAS, Interconnection Customer is proposing to develop a Generating Facility or generating capacity addition to an existing Generating Facility consistent with the Interconnection Request submitted by Interconnection Customer dated [date] and;

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

WHEREAS, Interconnection Customer has requested Transmission Provider to perform a Transitional System Impact Study to assess the impact of interconnecting the Generating Facility to the Transmission System, and of any Affected Systems;

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

1.0. When used in this Agreement, with initial capitalization, the terms specified shall have the meanings indicated in Transmission Provider’s GIP.

2.0. Interconnection Customer elects and Transmission Provider shall cause to be performed a Transitional System Impact Study consistent with Section 6 of the GIP.

3.0. The scope of the Transitional System Impact Study shall be subject to the assumptions set forth in Attachment A to this Agreement.

4.0. The Transitional System Impact Study will be based upon the technical information provided by Interconnection Customer in the Interconnection Request, subject to any modifications in accordance with Section 5.5 of the GIP. Transmission Provider reserves the right to request additional technical information from Interconnection Customer as may reasonably become necessary consistent with Good Utility Practice during the course of the Transitional System Impact Study. If Interconnection Customer modifies its designated Point of Interconnection, Interconnection Request, or the technical information provided therein is modified, the Interconnection Request may be withdrawn.

5.0. A Transitional System Impact Study report may be provided only to Interconnection Customers with projects that were found to require mitigations or do not have a completed Interconnection System Impact Study. If required, the report shall provide the following information:

- identification of any circuit breaker short circuit capability limits exceeded as a result of the interconnection:
- identification of any thermal overload or voltage limit violations resulting from the interconnection;
- identification of any instability or inadequately damped response to system disturbances resulting from the interconnection and
- description and non-binding, good faith estimated cost of facilities required to interconnect the Generating Facility to the Transmission System and to address the identified short circuit, instability, and power flow issues.

6.0. Interconnection Customer will be responsible for all costs incurred by Transmission Provider associated with the Transitional System Impact Study.

7.0. Transmission Provider's good faith estimate for the time of completion of the Transitional System Impact Study is one-hundred-forty-five (145) Calendar Days from execution of this agreement.

8.0. Miscellaneous.

8.1. Binding Effect. This Agreement and the rights and obligations hereof, shall be binding upon and shall inure to the benefit of the successors and permitted assigns of the Parties hereto.

8.2. Governing Law. The validity, interpretation and performance of this Agreement and each of its provisions shall be governed by the laws of the State of Arizona, without regard to its conflicts of law principles.

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

8.3.1. Good Standing. Such Party is duly organized, validly existing and in good standing under the laws of the state in which it is organized, formed, or incorporated, as applicable; it is qualified to do business in the state or states in which the Generating Facility, Interconnection Facilities and Network Upgrade(s) owned by such Party, as applicable, are located; and it has the power and authority to own its properties, to carry on its business as now being conducted and to enter into this Agreement and carry out the transactions contemplated hereby and perform and carry out all covenants and obligations on its part to be performed under and pursuant to this Agreement.

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

8.3.3. No Conflict. The execution, delivery and performance of this Agreement does not violate or conflict with the organizational or formation documents, or bylaws or operating agreement, of such Party, or any judgment, license, permit, order,
material agreement or instrument applicable to or binding upon such Party or any of its assets.

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

8.4 Conflicts. In the event of a conflict between the body of this Agreement and any appendices hereto, the terms and provisions of the body of this Agreement shall prevail and be deemed the final intent of the Parties.

8.5 Rules of Interpretation. This Agreement, unless a clear contrary intention appears, shall be construed and interpreted as follows: (1) the singular number includes the plural number and vice versa; (2) reference to any agreement (including this Agreement), document, instrument or tariff means such agreement, document, instrument, or tariff as amended or modified and in effect from time to time in accordance with the terms thereof and, if applicable, the terms hereof; (3) reference to any Applicable Laws and Regulations or Applicable Reliability Standards means such Applicable Laws and Regulations or Applicable Reliability Standards as amended, modified, codified, or reenacted, in whole or in part, and in effect from time to time, including, if applicable, rules and regulations promulgated thereunder; (4) unless expressly stated otherwise, reference to any Article, Section or Appendix means such Article of this Agreement or such Appendix to this Agreement, or such Section to this Agreement or such Appendix to this Agreement, as the case may be; (5) “hereunder”, “hereof”, “herein”, “hereto” and words of similar import shall be deemed references to this Agreement as a whole and not to any particular Article or other provision hereof or thereof; (6) “including” (and with correlative meaning “include”) means including without limiting the generality of any description preceding such term; and (7) relative to the determination of any period of time, “from” means “from and including”, “to” means “to but excluding” and “through” means “through and including”.

8.6 Construction. This Agreement shall be construed as though the Parties participated equally in the drafting of the Agreement. Consequently, the Parties acknowledge and agree that any rule of construction that a document is to be construed against the drafting Party shall not be applicable to this Agreement.

8.7 Entire Agreement. This Agreement, including all Appendices attached hereto, constitutes the entire agreement between the Parties with reference to the subject matter hereof, and supersedes all prior and contemporaneous understandings or agreements, oral or written, between the Parties with respect to the subject matter of this Agreement. There are no other agreements, representations, warranties, or covenants which constitute any part of the consideration for, or any condition to, either Party's compliance with its obligations under this Agreement.

8.8 No Third Party Beneficiaries. This Agreement is not intended to and does not create rights, remedies, or benefits of any character whatsoever in favor of any persons, corporations, associations, or entities other than the Parties, and the obligations herein
assumed are solely for the use and benefit of the Parties, their successors in interest and, where permitted, their assigns.

8.9. Waiver. The failure of a Party to this Agreement to insist, on any occasion, upon strict performance of any provision of this Agreement will not be considered a waiver of any obligation, right, or duty of, or imposed upon, such Party. Any waiver at any time by either Party of its rights with respect to this Agreement shall not be deemed a continuing waiver or a waiver with respect to any other failure to comply with any other obligation, right, or duty of this Agreement. Any waiver of this Agreement shall, if requested, be provided in writing.

8.10. Headings. The descriptive headings of the various Articles or Sections of this Agreement have been inserted for convenience of reference only and are of no significance in the interpretation or construction of this Agreement.

8.11. Multiple Counterparts. This Agreement may be executed in two or more counterparts, each of which is deemed an original but all constitute one and the same instrument.

8.12. No Partnership. This Agreement shall not be interpreted or construed to create an association, joint venture, agency relationship, or partnership between the Parties or to impose any partnership obligation or partnership liability upon either Party. Neither Party shall have any right, power or authority to enter into any agreement or undertaking for, or act on behalf of, or to act as or be an agent or representative of, or to otherwise bind, the other Party.

8.13. Amendment. The Parties may by mutual agreement amend this Agreement by a written instrument duly executed by the Parties.

8.14. Assignment. This Agreement may be assigned by either Party only with the written consent of the other; provided that either Party may assign this Agreement without the consent of the other Party to any Affiliate of the assigning Party with an equal or greater credit rating and with the legal authority and operational ability to satisfy the obligations of the assigning Party under this Agreement; and provided further that Interconnection Customer shall have the right to assign this Agreement, without the consent of Transmission Provider, for collateral security purposes to aid in providing financing for the Generating Facility, provided that Interconnection Customer will promptly notify Transmission Provider of any such assignment. Any financing arrangement entered into by Interconnection Customer pursuant to this Section will provide that prior to or upon the exercise of the secured party’s trustee’s or mortgagee’s assignment rights pursuant to said arrangement, the secured creditor, the trustee or mortgagee will notify Transmission Provider of the date and particulars of any such exercise of assignment right(s). Any attempted assignment that violates this Section is void and ineffective. Any assignment under this Agreement shall not relieve a Party of its obligations, nor shall a Party’s obligations be enlarged, in whole or in part, by reason thereof. Where required, consent to assignment will not be unreasonably withheld, conditioned or delayed.

8.15. Indemnity. The Parties shall at all times indemnify, defend, and hold the other Party (“Indemnified Party”) harmless from, any and all damages, losses, claims, demand, suits, recoveries, costs and expenses, court costs, attorney fees, and all other obligations by or to third parties, for injury to or death of any person or damage to property, arising out of or resulting from the Indemnified Party's action or inactions of
its obligations under this Agreement on behalf of the Indemnifying Party, except in cases of gross negligence or intentional wrongdoing by the Indemnified Party.

8.15.1 Indemnified Party. If an Indemnified Party is entitled to indemnification under this Section 8.15 as a result of a claim by a third party and the Indemnifying Party fails, after notice and reasonable opportunity to proceed under this Section 8.15 to assume the defense of such claim, such Indemnified Party may at the expense of the Indemnifying Party contest, settle or consent to the entry of any judgment with respect to, or pay in full, such claim.

8.15.2 Indemnifying Party. If an Indemnifying Party is obligated to indemnify and hold any Indemnified Person harmless under this Section 8.15, the amount owing to the Indemnified Party shall be the amount of such indemnified Party's actual Loss, net of any insurance or other recovery.

8.15.3 Indemnity Procedures. Promptly after receipt by an Indemnified Party of any claim or notice of the commencement of any action or administrative or legal proceeding or investigation as to which the indemnity provided for in Section 8.15.1 may apply, the Indemnified Party shall notify the Indemnifying Party of such fact. Any failure or delay in such notification shall not affect a Party's indemnification obligation unless such failure or delay is materially prejudicial to the Indemnifying Party. The Indemnifying Party shall have the right to assume the defense thereof with counsel designated by such Indemnifying Party and reasonably satisfactory to the Indemnified Party. If the defendants in any such action include one or more Indemnified Parties and the Indemnifying Party and if the Indemnified Party reasonably concludes that there may be legal defenses available to it and/or other Indemnified Parties which are different from or additional to those available to the Indemnifying Party, the Indemnified Party shall have the right to select separate counsel to assert such legal defenses and to otherwise participate in the defense of such action on its own behalf. In such instances, the Indemnifying Party shall only be required to pay the fees and expenses of one additional attorney to represent an Indemnified Party or Indemnified Parties having such differing or additional legal defenses.

The Indemnified Party shall be entitled, at its expense, to participate in any such action, suit or proceeding, the defense of which has been assumed by the Indemnifying Party.

Notwithstanding the foregoing, the Indemnifying Party (i) shall not be entitled to assume and control the defense of any such action, suit or proceedings if and to the extent that, in the opinion of the Indemnified Party and its counsel, such action, suit or proceeding involves the potential imposition of criminal liability on the Indemnified Party, or there exists a conflict or adversity of interest between the Indemnified Party and the Indemnifying Party, in such event the Indemnifying Party shall pay the reasonable expenses of the Indemnified Party, and (ii) shall not settle or consent to the entry of any judgment in any action, suit or proceeding without the consent of the Indemnified Party, which shall not be reasonably withheld, conditioned or delayed.
9.0. Consequential Damages. In no event shall either Party be liable under any provision of this Agreement for any losses, damages, costs or expenses for any special, indirect, incidental, consequential, or punitive damages, including but not limited to loss of profit or revenue, loss of the use of equipment, cost of capital, cost of temporary equipment or services, whether based in whole or in part in contract, in tort, including negligence, strict liability, or any other theory of liability.

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

[Insert name of Transmission Provider or Transmission Owner, if applicable]  [Insert name of Interconnection Customer]

By: ___________________________  By: ___________________________
Title: ___________________________  Title: ___________________________
Date: ___________________________  Date: ___________________________
ASSUMPTIONS USED IN CONDUCTING

THE TRANSITIONAL SYSTEM IMPACT STUDY

The Transitional System Impact Study will be based upon the following assumptions:

Designation of Point of Interconnection and configuration to be studied:

Other assumptions:

Configuration or any alternatives thereto does not convey rights to any such specific Point(s) of Interconnection or configuration. Transmission Provider retains all rights to grant, through an executed Interconnection Agreement, interconnection to specific Point(s) of Interconnection and configurations based upon impacts to reliability of Transmission Provider’s system.
Transitional Facilities Study Agreement

THIS AGREEMENT is made and entered into this [Click or tap to enter a date.], by and between
Name of Interconnection Customer [interconnection customer with a Generating Facility], and Salt River Project Agricultural Improvement and Power District, an agricultural improvement district organized and existing under the laws of the State of Arizona (Transmission Provider). Interconnection Customer and Transmission Provider each may be referred to as a “Party” or collectively as the “Parties.”

RECITALS

WHEREAS, Interconnection Customer is proposing to develop a Generating Facility or generating capacity addition to an existing Generating Facility consistent with the Interconnection Request submitted by Interconnection Customer dated [Click or tap here to enter text.], and

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

WHEREAS, Transmission Provider has completed a System Impact Study, or a Transitional System Impact Study (the “Transitional System Impact Study”) and provided the results of said study to Interconnection Customer; and

WHEREAS, Interconnection Customer has requested Transmission Provider to perform a Transitional Facilities Study to specify and estimate the cost of the equipment, engineering, procurement and construction work needed to implement the conclusions of the System Impact Study, or Transitional System Impact Study in accordance with Good Utility Practice to physically and electrically connect the Generating Facility to the Transmission System.

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

1.0. When used in this Agreement, with initial capitalization, the terms specified shall have the meanings indicated in Transmission Provider’s GIP.

2.0. Interconnection Customer elects and Transmission Provider shall cause a Transitional Facilities Study consistent with Section 6 of the GIP to be performed in accordance with the Tariff.

3.0. The scope of the Transitional Facilities Study shall be subject to the assumptions set forth in Attachment A and the data provided in Attachment B to this Agreement.

4.0. The Transitional Facilities Study report shall provide a description, estimated cost of (consistent with Attachment A to this Agreement), schedule for (i) required facilities to interconnect the Generating Facility to the Transmission System and (ii) required Network Upgrade(s) identified in the Interconnection System Impact Study or Transitional System Impact Study.
5.0. Interconnection Customer shall be responsible for all costs incurred by Transmission Provider associated with the Transitional Facilities Study. Any difference between the Interconnection Customer’s deposit and the actual cost of the study shall be paid by or refunded to Interconnection Customer, as appropriate or applied to subsequent study costs, all as provided for in the GIP.

The time for completion of the Transitional Facilities Study is specified in Attachment A to this Agreement.

6.0. Miscellaneous.

6.1. Binding Effect. This Agreement and the rights and obligations hereof, shall be binding upon and shall inure to the benefit of the successors and permitted assigns of the Parties hereto.

6.2. Governing Law. The validity, interpretation and performance of this Agreement and each of its provisions shall be governed by the laws of the State of Arizona, without regard to its conflicts of law principles.

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

6.3.1. Good Standing. Such Party is duly organized, validly existing and in good standing under the laws of the state in which it is organized, formed, or incorporated, as applicable; it is qualified to do business in the state or states in which the Generating Facility, Interconnection Facilities and Network Upgrade(s) owned by such Party, as applicable, are located; and it has the power and authority to own its properties, to carry on its business as now being conducted and to enter into this Agreement and carry out the transactions contemplated hereby and perform and carry out all covenants and obligations on its part to be performed under and pursuant to this Agreement.

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

6.3.3. No Conflict. The execution, delivery and performance of this Agreement does not violate or conflict with the organizational or formation documents, or bylaws or operating agreement, of such Party, or any judgment, license, permit, order, material agreement or instrument applicable to or binding upon such Party or any of its assets.

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

6.4. Conflicts. In the event of a conflict between the body of this Agreement and any appendices hereto, the terms and provisions of the body of this Agreement shall prevail and be deemed the final intent of the Parties.

6.5. Rules of Interpretation. This Agreement, unless a clear contrary intention appears, shall be construed and interpreted as follows: (1) the singular number includes the plural number and vice versa; (2) reference to any agreement (including this Agreement), document, instrument or tariff means such agreement, document, instrument, or tariff as amended or modified and in effect from time to time in accordance with the terms thereof and, if applicable, the terms hereof; (3) reference to any Applicable Laws and Regulations or Applicable Reliability Standards means such Applicable Laws and Regulations or Applicable Reliability Standards as amended, modified, codified, or reenacted, in whole or in part, and in effect from time to time, including, if applicable, rules and regulations promulgated thereunder; (4) unless expressly stated otherwise, reference to any Article, Section or Appendix means such Article of this Agreement or such Appendix to this Agreement or such Section to this Agreement or such Appendix to this Agreement, as the case may be; (5) “hereunder”, “hereof”, “herein”, “hereto” and words of similar import shall be deemed references to this Agreement as a whole and not to any particular Article or other provision hereof or thereof; (6) “including” (and with correlative meaning “include”) means including without limiting the generality of any description preceding such term; and (7) relative to the determination of any period of time, “from” means “from and including”, “to” means “to but excluding” and “through” means “through and including”.

6.6. Construction. This Agreement shall be construed as though the Parties participated equally in the drafting of the Agreement. Consequently, the Parties acknowledge and agree that any rule of construction that a document is to be construed against the drafting Party shall not be applicable to this Agreement.

6.7. Entire Agreement. This Agreement, including all Appendices attached hereto, constitutes the entire agreement between the Parties with reference to the subject matter hereof, and supersedes all prior and contemporaneous understandings or agreements, oral or written, between the Parties with respect to the subject matter of this Agreement. There are no other agreements, representations, warranties, or covenants which constitute any part of the consideration for, or any condition to, either Party's compliance with its obligations under this Agreement.

6.8. No Third Party Beneficiaries. This Agreement is not intended to and does not create rights, remedies, or benefits of any character whatsoever in favor of any persons, corporations, associations, or entities other than the Parties, and the obligations herein assumed are solely for the use and benefit of the Parties, their successors in interest and, where permitted, their assigns.

6.9. Waiver. The failure of a Party to this Agreement to insist, on any occasion, upon strict performance of any provision of this Agreement will not be considered a waiver of any obligation, right, or duty of, or imposed upon, such Party. Any waiver at any
time by either Party of its rights with respect to this Agreement shall not be deemed a continuing waiver or a waiver with respect to any other failure to comply with any other obligation, right, or duty of this Agreement. Any waiver of this Agreement shall, if requested, be provided in writing.

6.10. Heads. The descriptive headings of the various Articles or Sections of this Agreement have been inserted for convenience of reference only and are of no significance in the interpretation or construction of this Agreement.

6.11. Multiple Counterparts. This Agreement may be executed in two or more counterparts, each of which is deemed an original but all constitute one and the same instrument.

6.12. No Partnership. This Agreement shall not be interpreted or construed to create an association, joint venture, agency relationship, or partnership between the Parties or to impose any partnership obligation or partnership liability upon either Party. Neither Party shall have any right, power or authority to enter into any agreement or undertaking for, or to act on behalf of, or to act as or be an agent or representative of, or to otherwise bind, the other Party.

6.13. Amendment. The Parties may by mutual agreement amend this Agreement by a written instrument duly executed by the Parties.

6.14. Assignment. This Agreement may be assigned by either Party only with the written consent of the other; provided that either Party may assign this Agreement without the consent of the other Party to any Affiliate of the assigning Party with an equal or greater credit rating and with the legal authority and operational ability to satisfy the obligations of the assigning Party under this Agreement; and provided further that Interconnection Customer shall have the right to assign this Agreement, without the consent of Transmission Provider, for collateral security purposes to aid in providing financing for the Generating Facility, provided that Interconnection Customer will promptly notify Transmission Provider of any such assignment. Any financing arrangement entered into by Interconnection Customer pursuant to this Section will provide that prior to or upon the exercise of the secured party's trustee's or mortgagee's assignment rights pursuant to said arrangement, the secured creditor, the trustee or mortgagee will notify Transmission Provider of the date and particulars of any such exercise of assignment right(s). Any attempted assignment that violates this Section is void and ineffective. Any assignment under this Agreement shall not relieve a Party of its obligations, nor shall a Party's obligations be enlarged, in whole or in part, by reason thereof. Where required, consent to assignment will not be unreasonably withheld, conditioned or delayed.

6.15. Indemnity. The Parties shall at all times indemnify, defend, and hold the other Party ("Indemnified Party") harmless from, any and all damages, losses, claims, demand, suits, recoveries, costs and expenses, court costs, attorney fees, and all other obligations by or to third parties, for injury to or death of any person or damage to property, arising out of or resulting from the Indemnified Party's action or inactions of its obligations under this Agreement on behalf of the Indemnifying Party, except in cases of gross negligence or intentional wrongdoing by the Indemnified Party.
6.15.1 Indemnified Party. If an Indemnified Party is entitled to indemnification under this Section 6.15 as a result of a claim by a third party, and the Indemnifying Party fails, after notice and reasonable opportunity to proceed under this Section 6.15 to assume the defense of such claim, such Indemnified Party may at the expense of the Indemnifying Party contest, settle or consent to the entry of any judgment with respect to, or pay in full, such claim.

6.15.2 Indemnifying Party. If an Indemnifying Party is obligated to indemnify and hold any Indemnified Person harmless under this Section 6.15, the amount owing to the Indemnified Party shall be the amount of such Indemnified Party’s actual Loss, net of any insurance or other recovery.

6.15.3 Indemnity Procedures. Promptly after receipt by an Indemnified Party of any claim or notice of the commencement of any action or administrative or legal proceeding or investigation as to which the indemnity provided for in Section 6.15.1 may apply, the Indemnified Party shall notify the Indemnifying Party of such fact. Any failure of or delay in such notification shall not affect a Party’s indemnification obligation unless such failure or delay is materially prejudicial to the Indemnifying Party. The Indemnifying Party shall have the right to assume the defense thereof with counsel designated by such Indemnifying Party and reasonably satisfactory to the Indemnified Party. If the defendants in any such action include one or more Indemnified Parties and the Indemnifying Party and if the Indemnified Party reasonably concludes that there may be legal defenses available to it and/or other Indemnified Parties which are different from or additional to those available to the Indemnifying Party, the Indemnified Party shall have the right to select separate counsel to assert such legal defenses and to otherwise participate in the defense of such action on its own behalf. In such instances, the Indemnifying Party shall only be required to pay the fees and expenses of one additional attorney to represent an Indemnified Party or Indemnified Parties having such differing or additional legal defenses.

The Indemnified Party shall be entitled, at its expense, to participate in any such action, suit or proceeding, the defense of which has been assumed by the Indemnifying Party.

Notwithstanding the foregoing, the Indemnifying Party (i) shall not be entitled to assume and control the defense of any such action, suit or proceedings if and to the extent that, in the opinion of the Indemnified Party and its counsel, such action, suit or proceeding involves the potential imposition of criminal liability on the Indemnified Party, or there exists a conflict or adversity of interest between the Indemnified Party and the Indemnifying Party, in such event the Indemnifying Party shall pay the reasonable expenses of the Indemnified Party, and (ii) shall not settle or consent to the entry of any judgment in any action, suit or proceeding without the consent of the Indemnified Party, which shall not be reasonably withheld, conditioned or delayed.

7.0 Consequential Damages. In no event shall either Party be liable under any provision of this Agreement for any losses, damages, costs or expenses for any special, indirect, incidental, consequential, or punitive damages, including but not limited to loss of profit or revenue, loss
of the use of equipment, cost of capital, cost of temporary equipment or services, whether based in whole or in part in contract, in tort, including negligence, strict liability, or any other theory of liability.

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

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<tr>
<th>[Insert name of Transmission Provider]</th>
<th>[Insert name of Interconnection Customer]</th>
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<td>Transmission Owner, if applicable</td>
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INTERCONNECTION CUSTOMER SCHEDULE ELECTION FOR CONDUCTING THE TRANSITIONAL INTERCONNECTION FACILITIES STUDY

Transmission Provider shall use Reasonable Efforts to complete the study and issue a draft Transitional Interconnection Facilities Study report to Interconnection Customer within one-hundred-eighty (180) Calendar Days after receipt of an executed copy of this Transitional Interconnection Facilities Study Agreement.
DATA FORM TO BE PROVIDED BY INTERCONNECTION CUSTOMER WITH THE TRANSITIONAL INTERCONNECTION FACILITIES STUDY AGREEMENT

- Provide location plan and simplified one-line diagram of the plant and station facilities. For staged projects, please indicate future generation, transmission circuits, etc.

- One set of metering is required for each generation connection to the new ring bus or existing Transmission Provider station. Number of generation connections:

- On the one-line diagram indicate the generation capacity attached at each metering location. (Maximum load on CT/PT)

- On the one-line diagram indicate the location of auxiliary power. (Minimum load on CT/PT) Amps

- Will an alternate source of auxiliary power be available during CT/PT maintenance? Yes □ No □

- Will a transfer bus on the generation side of the metering require that each meter set be designed for the total plant generation? Yes □ No □ (Please indicate on one line diagram).

- What type of control system or PLC will be located at Interconnection Customer's Large-Generating Facility? __________

- What protocol does the control system or PLC use? __________

- Please provide a 7.5-minute quadrangle of the site. Sketch the plant, station, transmission line, and property line.

- Physical dimensions of the proposed interconnection station: __________

- Bus length from generation to interconnection station: __________

- Line length from interconnection station to Transmission Provider’s transmission line: __________
• Tower number observed in the field. (Painted on tower leg)* ________________

• Number of third party easements required for transmission lines*: ________

________________________________________________________

*To be completed in coordination with Transmission Provider.

• Is the Large Generating Facility in the Transmission Provider's service area? □ Yes □ No
  _____ Yes _____ No  Local If no, who is the local provider: __________________________

• Please provide proposed schedule dates:
  Begin Construction Date: ____________________

  Requested In-Service Date: Date: ____________________

  Requested Initial Synchronization Date: Date: ____________________

  Requested Commercial Operation Date: Date: ____________________
Appendix 3.6 to GIP
Generator Replacement Study Agreement

Generator Replacement Study Agreement

THIS AGREEMENT is made and entered into this Click or tap to enter a date., by and between Name of Interconnection Customer a(n) Type of Organization organized and existing under the laws of the State/Commonwealth of Click or tap here to enter text. (Interconnection Customer with a Generating Facility), and Salt River Project Agricultural Improvement and Power District, an agricultural improvement district organized and existing under the laws of the State of Arizona (Transmission Provider). Interconnection Customer and Transmission Provider each may be referred to as a “Party” or collectively as the “Parties.”

RECITALS

WHEREAS, Interconnection Customer is evaluating replacing an Existing Generating Facility with a Replacement Generating Facility and

WHEREAS, Interconnection Customer is proposing to evaluate Generation Replacement in accordance with Section 3.11 of the GIP; and

WHEREAS, Interconnection Customer has submitted to Transmission Provider all information required under Section 3.11 of the GIP, including an updated Appendix 1 for the Replacement Generating Facility.

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

1. When used in this Agreement, with initial capitalization, the terms specified shall have the meanings indicated in Transmission Provider’s GIP.

2. Interconnection Customer elects and Transmission Provider shall cause a Reliability Assessment Study and a Replacement Impact Study to be performed consistent with Section 3.11 of the GIP and in accordance with the Tariff.

3. Interconnection Customer shall provide a deposit of seventy-five thousand dollars ($75,000) for the performance of the Replacement Impact Study and Reliability Assessment Study. Transmission Provider’s good faith estimate for the time of completion of the Replacement Impact Study and Reliability Assessment Study is.

4. Upon receipt of the final study results, Transmission Provider shall charge, and Interconnection Customer shall pay the actual costs of the Interconnection Study.

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

6. Miscellaneous.

6.1. Binding Effect. This Agreement and the rights and obligations hereof, shall be binding upon and shall inure to the benefit of the successors and permitted assigns of the Parties hereto.
6.2. Governing Law. The validity, interpretation and performance of this Agreement and all of its provisions shall be governed by the laws of the State of Arizona, without regard to its conflicts of law principles.

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

6.3.1. Good Standing. Such Party is duly organized, validly existing and in good standing under the laws of the state in which it is organized, formed, or incorporated, as applicable; it is qualified to do business in the state or states in which the Generating Facility, Interconnection Facilities and Network Upgrade(s) owned by such Party, as applicable, are located; and it has the power and authority to own its properties, to carry on its business as now being conducted and to enter into this Agreement and carry out the transactions contemplated hereby and perform and carry out all covenants and obligations on its part to be performed under and pursuant to this Agreement.

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

6.3.3. No Conflict. The execution, delivery and performance of this Agreement does not violate or conflict with the organizational or formation documents, or bylaws or operating agreement, of such Party, or any judgment, license, permit, order, material agreement or instrument applicable to or binding upon such Party or any of its assets.

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

6.4. Conflicts. In the event of a conflict between the body of this Agreement and any appendices hereto, the terms and provisions of the body of this Agreement shall prevail and be deemed the final intent of the Parties.

6.5. Rules of Interpretation. This Agreement, unless a clear contrary intention appears, shall be construed and interpreted as follows: (1) the singular number includes the plural number and vice versa; (2) reference to any agreement (including this Agreement), document, instrument or tariff means such agreement, document, instrument, or tariff as amended or modified and in effect from time to time in accordance with the terms thereof and, if applicable, the terms hereof; (3) reference to any Applicable Laws and Regulations or Applicable Reliability Standards means such Applicable Laws and Regulations or Applicable Reliability Standards as the context requires.
amended, modified, codified, or reenacted, in whole or in part, and in effect from time
to time, including, if applicable, rules and regulations promulgated thereunder; (4)
unless expressly stated otherwise, reference to any Article, Section or Appendix
means such Article of this Agreement or such Appendix to this Agreement or such Section
to this Agreement or such Appendix to this Agreement, as the case may be;
(5) “hereunder”, “hereof”, “herein”, “hereto” and words of similar import shall be
deemed references to this Agreement as a whole and not to any particular Article or
other provision hereof or thereof; (6) “including” (and with correlative meaning
“include”) means including without limiting the generality of any description preceding
such term; and (7) relative to the determination of any period of time, “from” means
“from and including”, “to” means “to but excluding” and “through” means “through and
including”.

6.6. Construction. This Agreement shall be construed as though the Parties participated
equally in the drafting of the Agreement. Consequently, the Parties acknowledge and
agree that any rule of construction that a document is to be construed against the
drafting Party shall not be applicable to this Agreement.

6.7. Entire Agreement. This Agreement, including all Appendices attached hereto,
constitutes the entire agreement between the Parties with reference to the subject
matter hereof, and supersedes all prior and contemporaneous understandings or
agreements, oral or written, between the Parties with respect to the subject matter of
this Agreement. There are no other agreements, representations, warranties, or
covenants which constitute any part of the consideration for, or any condition to, either
Party’s compliance with its obligations under this Agreement.

6.8. No Third Party Beneficiaries. This Agreement is not intended to and does not create
rights, remedies, or benefits of any character whatsoever in favor of any persons,
corporations, associations, or entities other than the Parties, and the obligations herein
assumed are solely for the use and benefit of the Parties, their successors in interest
and, where permitted, their assigns.

6.9. Waiver. The failure of a Party to this Agreement to insist, on any occasion, upon strict
performance of any provision of this Agreement will not be considered a waiver of any
obligation, right, or duty of, or imposed upon, such Party. Any waiver at any time by
either Party of its rights with respect to this Agreement shall not be deemed a
continuing waiver or a waiver with respect to any other failure to comply with any other
obligation, right, or duty of this Agreement. Any waiver of this Agreement shall, if
requested, be provided in writing.

6.10. Headings. The descriptive headings of the various Articles or Sections of this
Agreement have been inserted for convenience of reference only and are of no
significance in the interpretation or construction of this Agreement.

6.11. Multiple Counterparts. This Agreement may be executed in two or more counterparts,
each of which is deemed an original but all constitute one and the same instrument.

6.12. No Partnership. This Agreement shall not be interpreted or construed to create an
association, joint venture, agency relationship, or partnership between the Parties or
to impose any partnership obligation or partnership liability upon either Party. Neither
Party shall have any right, power or authority to enter into any agreement or
undertaking for, or act on behalf of, or to act as or be an agent or representative of, or to otherwise bind, the other Party.

6.13. Amendment. The Parties may by mutual agreement amend this Agreement by a written instrument duly executed by the Parties.

6.14. Assignment. This Agreement may be assigned by either Party only with the written consent of the other; provided that either Party may assign this Agreement without the consent of the other Party to any Affiliate of the assigning Party with an equal or greater credit rating and with the legal authority and operational ability to satisfy the obligations of the assigning Party under this Agreement; and provided further that Interconnection Customer shall have the right to assign this Agreement, without the consent of Transmission Provider, for collateral security purposes to aid in providing financing for the Generating Facility, provided that Interconnection Customer will promptly notify Transmission Provider of any such assignment. Any financing arrangement entered into by Interconnection Customer pursuant to this Section will provide that prior to or upon the exercise of the secured party's trustee's or mortgagee's assignment rights pursuant to said arrangement, the secured creditor, the trustee or mortgagee will notify Transmission Provider of the date and particulars of any such exercise of assignment right(s). Any attempted assignment that violates this Section is void and ineffective. Any assignment under this Agreement shall not relieve a Party of its obligations nor shall a Party's obligations be enlarged, in whole or in part, by reason thereof. Where required, consent to assignment will not be unreasonably withheld, conditioned or delayed.

6.15. Indemnity. The Parties shall at all times indemnify, defend, and hold the other Party (“Indemnified Party”) harmless from, any and all damages, losses, claims, demand, suits, recoveries, costs and expenses, court costs, attorney fees, and all other obligations by or to third parties, for injury to or death of any person or damage to property, arising out of or resulting from the Indemnified Party’s action or inactions of its obligations under this Agreement on behalf of the Indemnifying Party, except in cases of gross negligence or intentional wrongdoing by the Indemnified Party.

6.15.1. Indemnified Party. If an Indemnified Party is entitled to indemnification under this Section 6.15 as a result of a claim by a third party, and the Indemnifying Party fails, after notice and reasonable opportunity to proceed under this Section 6.15 to assume the defense of such claim, such Indemnified Party may at the expense of the Indemnifying Party contest, settle or consent to the entry of any judgment with respect to, or pay in full, such claim.

6.15.2. Indemnifying Party. If an Indemnifying Party is obligated to indemnify and hold any Indemnified Person harmless under this Section 6.15, the amount owing to the Indemnified Party shall be the amount of such Indemnified Party’s actual Loss, net of any insurance or other recovery.

6.15.3. Indemnity Procedures. Promptly after receipt by an Indemnified Person of any claim or notice of the commencement of any action or administrative or legal proceeding or investigation as to which the indemnity provided for in Section 6.15.1 may apply, the Indemnified Party shall notify the Indemnifying Party of such fact. Any failure of or delay in such notification shall not affect a Party's indemnification obligation unless such failure or delay is materially prejudicial.
to the Indemnifying Party. The Indemnifying Party shall have the right to assume the defense thereof with counsel designated by such Indemnifying Party and reasonably satisfactory to the Indemnified Party. If the defendants in any such action include one or more Indemnified Parties and the Indemnifying Party and if the Indemnified Party reasonably concludes that there may be legal defenses available to it and/or other Indemnified Parties which are different from or additional to those available to the Indemnifying Party, the Indemnified Party shall have the right to select separate counsel to assert such legal defenses and to otherwise participate in the defense of such action on its own behalf. In such instances, the Indemnifying Party shall only be required to pay the fees and expenses of one additional attorney to represent an Indemnified Party or Indemnified Parties having such differing or additional legal defenses.

The Indemnified Party shall be entitled, at its expense, to participate in any such action, suit or proceeding, the defense of which has been assumed by the Indemnifying Party. Notwithstanding the foregoing, the Indemnifying Party (i) shall not be entitled to assume and control the defense of any such action, suit or proceedings if and to the extent that, in the opinion of the Indemnified Party and its counsel, such action, suit or proceeding involves the potential imposition of criminal liability on the Indemnified Party, or there exists a conflict or adversity of interest between the Indemnified Party and the Indemnifying Party, in such event the Indemnifying Party shall pay the reasonable expenses of the Indemnified Party, and (ii) shall not settle or consent to the entry of any judgment in any action, suit or proceeding without the consent of the Indemnified Party, which shall not be reasonably withheld, conditioned or delayed.

7.0.  Consequential Damages.

In no event shall either Party be liable under any provision of this Agreement for any losses, damages, costs or expenses for any special, indirect, incidental, consequential, or punitive damages, including but not limited to loss of profit or revenue, loss of the use of equipment, cost of capital, cost of temporary equipment or services, whether based in whole or in part in contract, in tort, including negligence, strict liability, or any other theory of liability.

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

[Insert name of Generator Replacement Coordinator]  [Insert name of Interconnection Customer]

By: ___________________________  By: ___________________________
Title: ___________________________  Title: ___________________________
Date: ___________________________  Date: ___________________________
1. OVERVIEW

1.1. Purposes and Objectives

This Appendix sets forth a framework whereby objective and verifiable assurance is provided to Interconnection Customers that Transmission Provider's Generation Replacement process under Section 3.11 of the GIP is administered in a non-discriminatory manner consistent with reliability and Good Utility Practice. To achieve these objectives, the Transmission Provider will contract with a third party that meets the independence requirements described in this Appendix. This party referred to herein as the Generator Replacement Coordinator (GRC), will implement the provisions of this Appendix by performing the function set forth herein.

1.2. Applicability

The Transmission Provider, the GRC, and any Interconnection Customer that submits a Generation Replacement request shall be subject to the terms, conditions, and obligations of this Appendix.

1.3. Definitions

The capitalized terms used herein shall have the meaning ascribed to them in Section 1 of the GIP. Capitalized terms not included in Section 1 of the GIP shall be defined as follows:

**Generator Replacement Coordinator (GRC)** shall mean the party that meets the independence criteria of Section 2 and contracts with Transmission Provider to implement the provisions of this Appendix.

**Replacement Interconnection Studies** collectively refers to the Replacement Impact Study, Reliability Assessment Study and Generator Replacement Facilities Study.

2. GENERATOR REPLACEMENT COORDINATOR

2.1. Retention of the Generator Replacement Coordinator

The Transmission Provider shall contract with an independent qualified party to be known as the GRC. The GRC shall have experience and expertise appropriate to process and conduct Replacement Interconnection Studies. The Transmission Provider and the GRC shall negotiate the terms and conditions upon which the GRC will contract with the Transmission Provider. Nothing in this Appendix shall be interpreted or construed as creating a partnership, joint venture, or fiduciary or agency relationship between the Transmission Provider and the GRC.
2.2. Independence of the GRC

2.2.1. To maintain independence, the GRC will satisfy and maintain compliance with the following criteria: (i) the GRC will not be an Interconnection Customer; (ii) the GRC, its employees and its board of directors will be prohibited from having a direct financial interest in any Interconnection Customer, the Transmission Provider, or their Affiliates; (iii) the GRC will not own any transmission, generation or distribution facilities in the region consisting of the Transmission Provider’s Balancing Authority Area and first tier Balancing Authority Areas or any of the Transmission Provider’s Affiliates; and (iv) the GRC’s decision making process will be independent of control by an Interconnection Customer, the Transmission Provider or their Affiliates. The GRC shall exercise independent decision-making in performing all activities associated with its responsibilities under this Appendix. The GRC shall maintain its offices separate from the offices of the Transmission Provider and its Affiliates. No employees of the GRC shall share office space with any employee or an Interconnection Customer, the Transmission Provider, or their Affiliates.

2.2.2. To further ensure the independence of the GRC and meet the objectives established to this Appendix, the GRC will have the authority to collect and analyze data relevant to its responsibilities.

2.3. Standards of Conduct and Conflicts of Interest

2.3.1. All employees of the GRC performing functions under this Appendix shall be treated, for purposes of SRP’s Standards of Conduct as the equivalent of transmission function employees of the Transmission Provider.

2.3.2. The GRC shall adopt a policy on conflicts of interest establishing appropriate standards for the professional and financial independence of the GRC from Transmission Provider and its Affiliates, consistent with SRP’s Standards of Conduct policies and regulations. In addition, the GRC shall adopt ethics policies and standards for its employees and subcontractors working on the Transmission Provider’s Generator Replacement process. The GRC, including each employee performing functions under this Appendix, shall comply at all times with the conflicts of interest and ethics policies. The GRC shall certify such compliance to the SRP Board and the Transmission Provider prior to issuing its first Replacement Interconnection Study and upon request by SRP’s Board.

3. Generation Replacement Functions

3.1. The GRC’s Administration of the Generation Replacement Process

The GRC shall administer the Generation Replacement process included in the GIP, Section 3.10.
3.2. The GRC’s Specific Generation Replacement Responsibilities

The GRC will process and evaluate all Generation Replacement requests on a nondiscriminatory basis consistent with the GIP Section 3.10. In processing and evaluating Generation Replacement requests, the GRC’s responsibilities include the following:

1. Collecting from the Interconnection Customer and the Transmission Provider all information necessary for the processing and evaluation of a Generation Replacement request.

2. Determining that all preconditions necessary for a valid Generation Replacement request have been met.

3. Determining whether some or all of the service subject to a Generation Replacement request must be processed as a new request for Interconnection Service.


5. Performing the necessary Replacement Interconnection Studies.

6. Providing to the Transmission Provider for the Transmission Provider to post on its OASIS in a timely fashion (and without modification by the Transmission Provider) for each Generation Replacement, information regarding the expected Commercial Operation Date of the Replacement Generating Facility.

7. Providing all notices related to the processing and evaluation of a Generation Replacement request to the Interconnection Customer.

8. Independently reviewing and validating data, information, and analyses provided by Transmission Provider to GRC in connection with Generator Replacement process.

9. Responding to inquiries from an Interconnection Customer in connection with its Generator Replacement request.

10. Providing a copy of each final study report, along with the underlying study, to the Transmission Provider.

3.3. The Transmission Provider’s Duties and Responsibilities

Other than the functions pursuant to the GIP, Section 3.10 performed by the GRC, as described in Section 3.2 above, Transmission Provider will continue to administer, and perform all Transmission Provider functions pursuant to its Tariff. In addition, Transmission Provider shall perform the following functions referenced in GIP, Section 3.10:

1. Providing the data, information, and analyses (as well as updates, changes, or additions to such data, information, and analyses) required by the GRC to perform Replacement Interconnection Studies and to process Generation Replacement requests. (Required Information).
2. Posting to OASIS (as provided by the GRC and without modification by the Transmission Provider) for each Generation Replacement, information regarding the expected Commercial Operation Date of the Replacement Generating Facility.

3. Whenever the GRC determines that some or all of a Generation Replacement request must be processed as a new request for Interconnection Service pursuant to the GIP provisions applicable to a new request for Interconnection Service.

4. COORDINATION BETWEEN TRANSMISSION PROVIDER AND THE GRC

4.1. General

4.1.1. Transmission Provider and the GRC will coordinate as necessary for the GRC to perform its functions.

4.1.2. Whenever Transmission Provider provides Required Information to the GRC, the Transmission Provider shall supply such Required Information using Good Utility Practice and its knowledge of the Transmission System to provide the Required Information in a manner consistent with its obligation to respond to Generation Replacement requests on a nondiscriminatory basis. Upon receiving Required Information, the GRC shall use its independent judgment to review the information and determine whether the information satisfies applicable Tariff requirements and is otherwise consistent with the requirement to respond to Generation Replacement requests on a nondiscriminatory basis.

4.1.3. The GRC shall use its independent judgment to determine whether additional, updated, or modified Required Information is required by the GRC to perform Replacement Interconnection Studies and to process Generation Replacement requests.

4.2. Dispute Resolution

4.2.1. If (i) the GRC believes that the Required Information provided by the Transmission Provider is insufficient, and (ii) the Transmission Provider disagrees, then GRC and the Transmission Provider shall meet and confer in an effort to resolve the matter. Both parties shall have an obligation to use Reasonable Efforts to resolve the dispute expeditiously.

4.2.2. If the dispute cannot be resolved informally, then the GRC shall seek to resolve the matter expeditiously by meeting with the affected Interconnection Customer and the Transmission Provider. Following this meeting, if the matter cannot be resolved informally, then any of the Interconnection Customer, Transmission Provider, or the GRC may resolve the dispute according to the GIP, Section 12.5.

5. ELECTRIC RELIABILITY ORGANIZATION COMPLIANCE

The GRC will perform its functions under this Appendix 3 in accordance with the NERC TPL-001 Reliability Standard (or subsequent standards), the Transmission Provider’s Long-Range Planning Criteria, and the Transmission Provider’s Generator Interconnection Guidelines. These
documents specify the criteria used by the Transmission Provider to assess the reliability of all proposed interconnection requests to ensure compliance with required NERC Reliability Standards and the Transmission Provider’s Tariff. The Transmission Provider will provide these documents to the GRC and update them as necessary.

6. DATA COLLECTION AND DISCLOSURE

6.1. Access to Transmission Provider’s Data and Information

6.1.1. To the extent the GRC requests access to Required Information from the Transmission Provider that was originally provided to the Transmission Provider by a third-party, then that Required Information shall be treated as Confidential Information, unless the information already is available from a public source or is otherwise subject to disclosure pursuant to any tariff or agreement administered by the Transmission Provider.

6.1.2. To the extent Transmission Provider considers Required Information requested by the GRC to be subject to a legal privilege, the Transmission Provider may notify the GRC of the applicable legal privilege and may withhold the data or other information from the GRC.

6.1.3. In the event that a dispute arises over access to data or information, either the Transmission Provider or GRC may refer the matter according to the GIP’s dispute resolution process.

6.2. Access to Data and Information of Interconnection Customers

6.2.1. Data Requests

If the GRC determines that additional data or other information is required to accomplish the objectives of this Appendix, the GRC may request such information from Interconnection Customer. Any such request shall be accompanied by an explanation of the need for such data or other information, and, to the extent the data qualifies as Confidential Information, an acknowledgement of the obligation of the GRC to maintain the confidentiality of the data. All information provided to the GRC by Interconnection Customer, that has been labeled as confidential by an Interconnection Customer, shall be treated as Confidential Information, unless already available from a public source or otherwise subject to disclosure under any tariff or agreement administered by the Transmission Provider.

6.2.2. Enforcement of Data Requests

Any Interconnection Customer receiving an information request from the GRC shall furnish all information, in the requested form or format that is reasonably necessary to achieve the purposes of objectives of this Appendix, whenever the requested information is not readily available from some other source that is more convenient, less burdensome and less expensive, and not subject to a legal privilege. No party that is the subject of a data request shall be required to produce any summaries, analyses.
or reports of the data that do not exist at the time of the data request. In the event that a dispute arises over access to data or information, either the Interconnection Customer or the GRC may initiate Dispute Resolution referenced in Section 11.5 of the GIP.

6.3. Confidentiality

The GRC shall use all reasonable procedures necessary to protect and to preserve the confidentiality of Confidential Information obtained pursuant to this Appendix. Except as may be required by subpoena or other compulsory process, the GRC shall not disclose Confidential Information to any person or entity without prior written consent of the party supplying the Confidential Information. To the extent the GRC requires access to Confidential Information obtained by Transmission Provider from third parties, the GRC shall not disclose the Confidential Information to any person or entity without prior written consent of the party supplying the Confidential Information to the Transmission Provider, except as may be required by subpoena or other compulsory process. Upon receipt of a subpoena or other compulsory process for the disclosure of Confidential Information, the GRC shall promptly notify the party that provided the data and shall provide all reasonable assistance requested by the party to prevent disclosure and shall not release the data until the party provides written consent or until the party’s legal avenues are exhausted.

6.4. Collection and Retention of Information

The GRC shall regularly collect and maintain information necessary for implementing this Appendix. The GRC shall ensure that data and information necessary to carry out its duties is retained in usable form and shall be turned over to any successor GRC consistent with Section 6.3 above. The GRC shall adopt policies and procedures for the retention of information provided by Interconnection Customer. At the end of the applicable retention period, the GRC shall provide the data and information to Transmission Provider. Transmission Provider shall retain that information consistent with the applicable NERC document retention requirements.

7. BUDGETING AND FUNDING

The GRC and Transmission Provider shall reach agreement on budgeting and funding the GRC’s functions under this Appendix to ensure, among other things, that the GRC has sufficient funding to discharge its responsibilities and obligations as GRC and that the terms of payment of the GRC by Transmission Provider do not result in appropriate incentives to favor Transmission Provider or any Interconnection Customer over the interests of another.

8. RIGHTS AND REMEDIES

With the exception of the limitation of liability provisions agreed to by the GRC and Transmission Provider, nothing herein shall prevent Transmission Provider or any other person or entity or any other applicable law, statute, or regulation, including the filing of a petition with or otherwise initiating a proceeding before FERC regarding any matter that is the subject of this Appendix.
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Appendix 5 to the Standard Large Generator Interconnection Procedures

SALT RIVER PROJECT AGRICULTURAL
IMPROVEMENT AND POWER DISTRICT
STANDARD LARGE GENERATOR
INTERCONNECTION AGREEMENT (LGIA)

DRAFT
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THIS STANDARD LARGE GENERATOR INTERCONNECTION AGREEMENT

(This Generator Interconnection Agreement (Agreement) is made and entered into this __ day of ___________ 20__, by and between _________________________, a ____________________________ organized and existing under the laws of the State/Commonwealth of ____________________ (Interconnection Customer) with a Large Generating Facility, and Salt River Project Agricultural Improvement and Power District, an agricultural improvement district organized and existing under the laws of the State of Arizona ____________________ (“Transmission Provider” and/or “Transmission Owner”). Interconnection Customer and Transmission Provider each may be referred to as a “Party” or collectively as the “Parties.”

Recitals

WHEREAS, Transmission Provider operates the Transmission System; and

WHEREAS, Interconnection Customer intends to own, lease and/or control and operate the Generating Facility identified as a Large Generating Facility in Appendix C to this Agreement; and,

WHEREAS, Interconnection Customer and Transmission Provider have agreed to enter into this Agreement for the purpose of interconnecting the Large Generating Facility with the Transmission System;

NOW, THEREFORE, in consideration of and subject to the mutual covenants contained herein, it is agreed:

When used in this Standard Large Generator Interconnection Agreement, terms with initial capitalization that are not defined in Article 1 of this Agreement, shall have the meanings specified in the Article in which they are used or in Part I of the Open Access Transmission Tariff (“Tariff”). Where meanings conflict, those set forth herein shall prevail.

Article 1. Definitions

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

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

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

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

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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 Standards shall mean the North American Electric Reliability Corporation (NERC) mandatory reliability standards, the Western Electric Coordinating Council (WECC) regional criteria and the Balancing Authority procedures and requirements.

Balancing Authority as defined by the NERC Reliability Standards for the BULK Electric Systems of North America shall mean, as such definition may be amended from time to time by NERC the responsible entity that integrates resource plans ahead of time, maintains load interchange-generation balancing within a Balancing Authority Area, and supports interconnection frequency in real time.

Balancing Authority Area as defined by the NERC Reliability Standards or the Bulk Electric Systems of North America shall mean the collection of generation, transmission and loads within the metered boundaries of the Balancing Authority. The Balancing Authority maintains load resource balance within this area as such definition may be amended from time to time by NERC.

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.

Capital Improvements shall mean any unit of property added to the Transmission System including Transmission Provider’s Interconnection Facilities, the enlargement or betterment of any unit of property constituting a part of the Transmission System including the Transmission Provider’s Interconnection Facilities, and the replacement of any unit of property constituting a part of the Transmission System including Transmission Provider’s Interconnection Facilities, irrespective of whether such replacement constitutes an enlargement or betterment of that which it replaces; which such additions, betterments and replacement in accordance with standard accounting practices used by the Transmission Provider would be capitalized.

Commercial Operation Date shall mean the date on which the Transmission Provider verified the Maximum Capacity at the Point of Interconnection.
Clustering shall mean the process whereby one or more Interconnection Requests are studied together, instead of serially, for the purpose of conducting the Interconnection System Impact Study and Network Upgrade(s) Facilities Study.

Cluster System Impact Study shall mean an engineering study that evaluates the impact of the proposed interconnection on the safety and reliability of Transmission Provider's Transmission System and, if applicable, an Affected System. The study shall identify and detail the system impacts that would result if the Generating Facility within the Cluster Request Window were interconnected without project modifications or system modifications, focusing on the Adverse System Impacts or to study potential impacts, including but not limited to those identified in the Scoping Meeting as described in the GIP.

Cluster System Impact Study Agreement shall mean the form of agreement contained in Appendix 3.1 of the GIP for conducting the Cluster System Impact Study.

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

Commercial Operation Date (COD) shall mean the date on which the Generating Facility commences Commercial Operation as agreed to by the Parties pursuant to Appendix E to this Agreement.

Common Facilities shall mean those certain facilities of the Transmission Provider described in Appendix H-1.

Common Facilities Use Fee shall mean the one-time payment by Interconnection Customer for the non-exclusive use and benefit of the Common Facilities, as described in Article 12.5 of this Agreement and detailed in Appendix H-2 to this 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 or Network Upgrades and/or costs and timing.

Connection(s) shall mean each termination in the (Insert Name of Substation/Switchyard), as shown in Figure 1 of Appendix A to this Agreement, as such figure may be revised by the Operating Agent from time to time in accordance with this Agreement to accurately reflect the then-current terminations in the (Insert Name of Substation/Switchyard).

Cost Responsibility Ratio (CRR) is the ratio of responsibility for costs allocated to the Interconnection Customer and detailed in Appendix I to this Agreement.
**Critical Energy Infrastructure Information** shall mean specific engineering, vulnerability, or detailed design information about proposed or existing critical infrastructure that: (a) relates details about the production, generation, transportation, transmission, or distribution of energy; (b) could be useful to a person in planning an attack on critical infrastructure; (c) is exempt from mandatory disclosure under the Freedom of Information Act, 5 U.S.C. § 552; and (d) does not simply give the general location of the critical infrastructure.

**Default** shall mean the failure of a Breaching Party to cure its Breach in accordance with Article 19 of the **Standard Large Generator Interconnection Agreement**.

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

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

**Distribution Upgrades** shall mean the additions, modifications, and upgrades to the Transmission Provider's Distribution System at or beyond the Point of Interconnection to facilitate interconnection of the Generating Facility. Distribution Upgrades do not include Interconnection Facilities.

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

**Electric Storage Resource** shall mean a resource capable of receiving electric energy from the grid or onsite generation, and storing it for later injection of electric energy back to the grid.

**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.

**Engineering, Procurement, and Construction Agreement** (EPC Agreement) shall mean an agreement that authorizes the Transmission Provider to begin engineering and procurement of long lead-time items and construction necessary for the establishment of the interconnection in order to advance the implementation of the Interconnection Request.

**Environmental Law** shall mean Applicable Laws and Regulations relating to pollution or protection of the environment or natural resources.
**Existing Generating Facility** shall mean a Generating Facility that is currently in-service or under construction with an unsuspended Generator Interconnection Agreement.


**FERC** shall mean the Federal Energy Regulatory 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 neither includes acts of negligence nor intentional wrongdoing nor economic hardship 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. A Generating Facility may consist of one or more generating unit(s) and/or storage device(s) which can operate independently and be brought online or taken offline individually.

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

**Generating Facility Modification** shall mean modification to the Existing Generating Facility, including comparable replacement of only a portion of the equipment at the Existing Generating Facility.

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

**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, including those practices as required by the Federal Power Act section 215(a)(4).

**Governmental Authority** shall mean any federal, state, local or other governmental regulatory or administrative agency or its staff, 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 Transmission Provider’s Interconnection Facilities will be energized and back feed power will be available to Interconnection Customer.

**Interconnection Customer** shall mean an entity, including the Transmission Provider, Transmission Owner or any of the Affiliates or subsidiaries of either, or representative of an Existing Generating Facility, that proposes to interconnect its Generating Facility or Replacement 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.

**Interconnection Facilities Study** shall mean a study conducted by the Transmission Provider or its third party consultant to determine a list of facilities (including Transmission Provider's Interconnection Facilities and Network Upgrades as identified in the Interconnection System Impact Study), the cost of those facilities, and the time required to interconnect the Generating Facility with the Transmission Provider's Transmission System. The scope of the study is defined in Section 8 of the Standard Large Generator Interconnection Procedures.

**Interconnection Facilities Study Agreement(s)** shall mean the form of agreement contained in Appendix 4 of the Standard Large Generator Interconnection Procedures for conducting the Point of Interconnection Facilities Study and the Network Upgrade(s) Facilities Study.

**Interconnection Request** shall mean an Interconnection Customer's request, in the form of Appendix 1 to the Standard Large Generator Interconnection Procedures, 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 the Transmission Provider to receive electric energy and capacity from the Generating Facility at the Point of Interconnection, pursuant
to the terms of the Standard Large Generator Interconnection Agreement and, if applicable, the Transmission Provider’s Tariff. Interconnection Service does not convey transmission service.

**Interconnection Study** shall mean any of the following studies: the Interconnection Cluster System Impact Study and/or the Network Upgrade(s) Facilities Study, the Point of Interconnection Facilities Study(ies), the Transitional Facilities Study, the Transitional System Impact Study, the Replacement Impact Study, the Reliability Assessment Study and the Generator Replacement Interconnection Facilities Study as described in the Standard Large Generator Interconnection Procedures.

**Inverter-Based Resource** shall mean any technology that requires an inverter to convert direct current (DC) electricity into alternating current (AC) electricity and is directly connected to the bulk power system. An Inverter-Based Resource may be a Generating Facility and/or Electric Storage Resource.

**Interconnection System Impact Study** shall mean an engineering study that evaluates the impact of the proposed interconnection on the safety and reliability of Transmission Provider’s Transmission System and, if applicable, an Affected System. The study shall identify and detail the system impacts that would result if the Generating Facility were interconnected without project modifications or system modifications, focusing on the Adverse System Impacts or study potential impacts, including but not limited to those identified in the Scoping Meeting as described in the Standard Large Generator Interconnection Procedures.

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

**IRS** shall mean the Internal Revenue Service.

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

**Large Generating Facility** shall mean a Generating Facility having a Requested Capacity In-Service 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(1) modification to an Interconnection Request in the Queue that have a material impact on the cost or timing of any other Interconnection Request with a later queue priority date or equal Queue Position; or (2) a planned modification to an Existing Generating Facility that is undergoing evaluation for a Generating Facility Modification or Generation Replacement, and that has a material impact on the Transmission System, as compared to the impacts of the Existing Generating Facility prior to the modification or replacement. The evaluation may consist of various analyses, including but not limited to, power flow, transient and post-transient stability, power factor, and a short circuit analysis.
Maximum Capacity shall mean the maximum megawatt capacity that the Generating Facility will generate at the Point of Interconnection as verified by the Transmission Provider.

Mitigation Facility Fee shall mean the fee to be paid by the Interconnection Customer as determined by the Operating Agent in accordance with Appendix K to this Agreement.

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

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

Network 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.

Network Upgrade() Facilities Study shall mean a study conducted by the Transmission Provider or its third party consultant to determine a list of facilities required to implement Network Upgrade() as identified in the Cluster System Impact Study, the cost of those Network Upgrade(), and the time required to implement those Network Upgrade(). The scope of the study is defined in Section 8 of the GIP.

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.

Open Access Same-Time Information System (OASIS) shall mean the information system posted on the internet as maintained by the Transmission Provider.

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

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

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

Point of Interconnection Facilities Study shall mean a study conducted by the Operating Agent or its third party consultant to determine a list of facilities (including JPP Interconnection Facilities), the cost of those facilities and the time required to interconnect the Generating Facility with the JPP. The scope of the study is defined in Section 8 of the GIP.

Provisional Interconnection Service shall mean Interconnection Service provided by Transmission Provider associated with interconnecting the Interconnection Customer’s
Generating Facility to Transmission Provider’s Transmission System and enabling that Transmission System to receive electric energy and capacity from the Generating Facility at the Point of Interconnection, pursuant to the terms of the Provisional Large Generator Interconnection Agreement and, if applicable, the Tariff.

**Provisional Large Generator Interconnection Agreement** shall mean the interconnection agreement for Provisional Interconnection Service established between Transmission Provider and/or the Transmission Owner and the Interconnection Customer. This agreement shall take the form of the Large Generator Interconnection Agreement, modified for provisional purposes.

**Queue Position** shall mean the order of a valid Interconnection Request, relative to all other pending valid Interconnection Requests, that is established based upon the date and time of receipt of the valid Interconnection Request by the Transmission Provider that Interconnection Customer satisfies all of the requirements of Section 3.3.1 of the GIP.

**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.

**Re-Study(ies)** shall mean the partial or complete reassessment of an Interconnection Study. The results of a Re-Study supersede and replace in whole or in part the results of the preceding Interconnection Study.

**Requested In-Service Date** shall mean the Interconnection Customer’s requested In-Service Date.

**Requested Initial Synchronization Date** shall mean the Interconnection Customer’s requested Initial Synchronization Date.

**Requested Maximum Capacity** shall mean the Interconnection Customer’s requested total Maximum Capacity at the Point of Interconnection.

**Requested Commercial Operation Date** shall mean the Interconnection Customer’s requested date for achieving the Maximum Capacity In-Service of the Generating Facility.

**Scoping Meeting** shall mean the meeting between representatives of the Interconnection Customer(s) 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 Point of Interconnection.

**Seven Year Queue Limit** shall mean that date seven (7) years from the Interconnection Customer’s Queue Position date, upon which the Generating Facility is fixed at its Maximum Capacity In-Service or the then-current amount of capacity.

**Shared Network Upgrade(s)** shall mean a Network Upgrade that has been assigned to an Interconnection Customer(s) and is subsequently identified as necessary to accommodate the interconnection of the Generating Facility of an Interconnection Customer(s) in a later Cluster and meets the requirements pursuant to the process outlined in Section 5.3 of the GIP and SRP’s Business Practice(s) posted on OASIS.
**Site Control** shall mean the land right to develop, construct, operate and maintain the Generating Facility, or the land right to develop, construct, operate and maintain the Generating Facility and the Interconnection Customer’s Interconnection Facilities in accordance with GIP and SRP’s Business Practice posted on OASIS.

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

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

**SRP Business Practice(s)** shall mean one or more business practices of SRP as posted on SRP’s OASIS.

**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 this Agreement. If the Transmission Provider and Interconnection Customer disagree about whether a particular Network Upgrade is a Stand Alone Network Upgrade, the Transmission Provider must provide the Interconnection Customer a written technical explanation outlining why the Transmission Provider does not consider the Network Upgrade to be a Stand Alone Network Upgrade within fifteen (15 days) Business Days of its determination.

**Standard Large Generator Interconnection Agreement (LGIA)** shall mean the form of interconnection agreement applicable to an Interconnection Request pertaining to a Large Generating Facility that is included in 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 or (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 SRP’s Open Access Transmission the SRP open access transmission tariff as amended or modified from time to time.
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 Agreement to the extent necessary.

Transmission Provider shall mean the 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 this Agreement, including any modifications, additions or upgrades to such facilities and equipment. Transmission Provider's Interconnection Facilities and shall not include Distribution Upgrade(s), Stand Alone Network Upgrade(s) or Network Upgrade(s).

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 the Commercial Operation Date.

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

WECC is the Western Electric Coordinating Council or its successor organization.

**Article 2. Effective Date, Term, and Termination.**

2.1 Effective Date.

This Agreement shall become effective upon execution by the Parties.

2.2 Term of Agreement.

This Agreement shall remain in effect unless and until terminated as provided for in Article 2.3 herein.

2.3 Termination Procedures.

2.3.1 Written Notice.

This Agreement may be terminated by Interconnection Customer after giving Transmission Provider ninety (90) Calendar Days advance written notice or by written mutual agreement by Interconnection Customer and Transmission Provider. Notwithstanding the foregoing, this Agreement shall not be terminated if
the Interconnection Customer has been approved for replacing or modifying its Generating Facility per Section 3.11 of the GIP until the agreement associated with the Replacement Facility is in effect.

2.3.2  Default.

Either Party may terminate this LGIA Agreement in accordance with Article 19.

2.3.3  Compliance with Applicable Laws and Regulations.

2.3.3 Notwithstanding Articles 2.3.1 and 2.3.2, no termination shall become effective until the Parties have complied with all Applicable Laws and Regulations applicable to such termination.

2.4  Termination Costs.

2.4 Termination Costs. Upon termination of this Agreement pursuant to Article 2.3 above, the Interconnection Customer shall be responsible for all costs incurred in association with that Interconnection Customer's interconnection, including any cancellation costs relating to orders or contracts for Interconnection Facilities and equipment; other expenses including any Network Upgrades for which Transmission Provider has incurred expenses and has not been reimbursed by Interconnection Customer; and charges assessed by the Transmission Provider, as of the date of the Transmission Provider's issuing of or receipt of such notice of termination, that are the responsibility of the Interconnection Customer under this LGIA. In the event of termination, the Parties shall use commercially Reasonable Efforts to mitigate the costs, damages and charges arising as a consequence of termination. Upon termination of this LGIA:

2.4.1  With respect to any portion of Transmission Provider's Interconnection Facilities that have not yet been constructed or installed, Transmission Provider shall to the extent possible and with Interconnection Customer's authorization cancel any pending orders of, or return, any materials or equipment for, or contracts for construction of, such facilities; provided that in the event Interconnection Customer elects not to authorize such cancellation, Interconnection Customer shall assume all payment obligations with respect to such materials, equipment, and contracts, and Transmission Provider shall deliver such material and equipment, and, if necessary, assign such contracts, to Interconnection Customer as soon as practicable, at Interconnection Customer's expense. To the extent that Interconnection Customer has already paid Transmission Provider for any or all such costs of materials or equipment not taken by Interconnection Customer. Transmission Provider shall promptly refund such amounts to Interconnection Customer, less any costs, including penalties incurred by Transmission Provider to cancel any pending orders of or return of such materials, equipment, or contracts.

If an Interconnection Customer terminates this LGIA Agreement, it shall be responsible for all costs incurred in association with that Interconnection Customer's interconnection, including any cancellation costs relating to orders or contracts for Interconnection Facilities and equipment, and other expenses including any Network Upgrades for which Transmission Provider has incurred expenses and has not been reimbursed by Interconnection Customer.
2.4.2 Transmission Provider may, at its option, retain any portion of such materials, equipment, or facilities that Interconnection Customer chooses not to accept delivery of, in which case Transmission Provider shall be responsible for all costs associated with procuring such materials, equipment, or facilities.

2.4.3 With respect to any portion of the Interconnection Facilities, and any other facilities already installed or constructed pursuant to the terms of this LGIA Agreement, Interconnection Customer shall be responsible for all costs associated with the removal, relocation or other disposition or retirement of such materials, equipment, or facilities.

2.5 Disconnection.

Upon termination of this LGIA Agreement, the Parties will take all appropriate steps to disconnect the Large Generating Facility from the Transmission System. All costs required to effectuate such disconnection shall be borne by the Interconnection Customer terminating Party, unless such termination resulted from the Transmission Provider's non-terminating Party's Default of this LGIA Agreement or the non-terminating Party otherwise is responsible for these costs under this LGIA Agreement.

2.6 Survival.

This LGIA Agreement shall continue in effect after termination to the extent necessary to provide for final billings and payments and for costs incurred hereunder, including billings and payments pursuant to this LGIA Agreement; to permit the determination and enforcement of liability and indemnification obligations arising from acts or events that occurred while this LGIA Agreement was in effect; and to permit each Party to have access to the lands of the other Party pursuant to this LGIA Agreement or other applicable agreements, to disconnect, remove or salvage its own facilities and equipment.

Article 3 Regulatory Filings

3.1 Filing. Interconnection Customer shall file this LGIA Agreement (and any amendment hereto) with the appropriate Governmental Authority, if required. Transmission Provider may request that any information so provided be subject to the confidentiality provisions of Article 24 herein.

Article 4 Scope of Service

4.1 Provision of Service. Transmission Provider shall provide Interconnection Service for the Large Generating Facility at the Point of Interconnection. Interconnection Service shall not exceed the Maximum Capacity as specified in Appendix C to this Agreement.

4.2 Performance Standards. Each Party shall perform all of its obligations under this LGIA Agreement in accordance with Applicable Laws and Regulations, Applicable Reliability Standards, and Good Utility Practice, and to the extent a Party is required or prevented or limited in taking any action by such regulations.
and standards, such Party shall not be deemed to be in Breach of this LGIA Agreement for its compliance therewith.

4.3  No Transmission Service.

The execution of this LGIA Agreement does not constitute a request for, nor the provision of, any transmission service under Transmission Provider's Tariff, and does not convey any right to deliver electricity to any specific customer or Point of Delivery.

4.4  Interconnection Customer Provided Services.

The services provided by Interconnection Customer under this LGIA Agreement are set forth in Article 11.6 and Article 11.6 herein. Interconnection Customer shall be paid for such services in accordance with Article 11.6 herein.

Article 5  Interconnection Facilities Engineering, Procurement, and Construction

5.1  Options.

Unless otherwise mutually agreed to between the Parties, Interconnection Customer shall select the Requested In-Service Date, Requested Initial Synchronization Date, and Requested Commercial Operation Date; and either the Standard Option or Alternate Option set forth below, and such dates and selected option shall be set forth in Appendix B, Milestones. At the same time, Interconnection Customer shall indicate whether it elects to exercise the Option to Build set forth in Article 5.1.3 below Appendices A, B and E to this Agreement. If the dates designated by Interconnection Customer are not acceptable to Transmission Provider, Transmission Provider shall so notify Interconnection Customer within thirty (30) Calendar Days. Upon receipt of the notification that Interconnection Customer’s designated dates are not acceptable to Transmission Provider, the Interconnection Customer shall notify Transmission Provider within thirty (30) Calendar Days whether it elects to exercise the Option to Build if it has not already elected to exercise the Option to Build.

5.1.1  Standard Option.

Transmission Provider shall design, procure, and construct Transmission Provider’s Interconnection Facilities and Network Upgrade(s), using Reasonable Efforts to complete Transmission Provider’s Interconnection Facilities and Network Upgrade(s) by the dates set forth in Appendix B to this Agreement. Transmission Provider shall not be required to undertake any action which is inconsistent with its standard safety practices, its material and equipment specifications, its design criteria and construction procedures, its labor agreements, and Applicable Laws and Regulations. In the event Transmission Provider reasonably expects that it will not be able to complete Transmission Provider’s Interconnection Facilities and Network Upgrade(s) by the specified dates, Transmission Provider shall promptly provide written notice to Interconnection Customer and shall undertake Reasonable Efforts to meet the earliest dates thereafter.
5.1.2  Alternate Option.

If the dates designated by Interconnection Customer are acceptable to Transmission Provider, Transmission Provider shall so notify Interconnection Customer within thirty (30) Calendar Days, and shall assume responsibility for the design, procurement and construction of Transmission Provider’s Interconnection Facilities by the designated dates.

5.1.3  Option to Build.

Interconnection Customer shall have the option to assume responsibility for the design, procurement and construction of a portion of the Transmission Provider’s Interconnection Facilities as described in the SRP Business Practice and Stand Alone Network UpgradesUpgrade(s) on the dates specified in Article 5.1.2 above and as provided for in SRP Business Practices posed on OASIS. Transmission Provider and Interconnection Customer must agree as to what constitutes Stand Alone Network UpgradesUpgrade(s) and identify such Stand Alone Network UpgradesUpgrade(s) in Appendix A to this Agreement. Except for Stand Alone Network UpgradesUpgrade(s), Interconnection Customer shall have no right to construct Network UpgradesUpgrade(s) under this option.

5.1.4  Negotiated Option.

If the dates designated by Interconnection Customer are not acceptable to Transmission Provider, the Parties may in good faith attempt to negotiate terms and conditions (including revision of the specified dates, the provision of incentives, or the procurement and construction of all facilities other than Transmission Provider’s Interconnection Facilities and Stand Alone Network UpgradesUpgrade(s) if the Interconnection Customer elects to exercise the Option to Build under Article 5.1.3 herein). If the Parties are unable to reach agreement on such terms and conditions, then pursuant to Article 5.1.1 (Standard Option) herein, Transmission Provider shall assume responsibility for the design, procurement and construction of all facilities other than Transmission provider’s Interconnection Facilities and Stand Alone Network UpgradesUpgrade(s) if the Interconnection Customer elects to exercise the Option to Build.

5.2  General Conditions Applicable to Option to Build.

As described further in SRP Business Practices, if Interconnection Customer assumes responsibility for the design, procurement and construction of a portion of the Transmission Provider’s Interconnection Facilities:

1. Interconnection Customer shall engineer, procure equipment, and construct Transmission Provider’s Interconnection Facilities and Stand Alone Network UpgradesUpgrade(s) (or portions thereof) using Good Utility Practice, approved equipment vendors, and using standards and specifications provided by Transmission Provider;

2. Interconnection Customer’s engineering, procurement and construction of Transmission Provider’s Interconnection Facilities and Stand Alone Network UpgradesUpgrade(s) shall comply with all requirements of law to which
Transmission Provider would be subject in the engineering, procurement or construction of Transmission Provider's Interconnection Facilities and Stand Alone Network Upgrades Upgrade(s);

3. Transmission Provider shall review and approve the engineering design, equipment acceptance tests, and the construction of Transmission Provider's Interconnection Facilities and Stand Alone Network Upgrades Upgrade(s);

4. Prior to commencement of construction, Interconnection Customer shall provide to Transmission Provider a schedule for construction of Transmission Provider's Interconnection Facilities and Stand Alone Network Upgrades Upgrade(s), and shall promptly respond to requests for information from Transmission Provider;

5. At any time during construction, Transmission Provider shall have the right to gain unrestricted access to Transmission Provider's Interconnection Facilities and Stand Alone Network Upgrades Upgrade(s) and to conduct inspections of the same;

6. At any time during construction, should any phase of the engineering, equipment procurement, or construction of Transmission Provider's Interconnection Facilities and Stand Alone Network Upgrades Upgrade(s) not meet the standards and specifications provided by Transmission Provider, Interconnection Customer shall be obligated to remedy deficiencies in that portion of Transmission Provider's Interconnection Facilities and Stand Alone Network Upgrades Upgrade(s) before continuing any further activity;

7. Interconnection Customer shall indemnify Transmission Provider for claims arising from Interconnection Customer's construction of Transmission Provider's Interconnection Facilities and Stand Alone Network Upgrades Upgrade(s) under the terms and procedures applicable to Article Indemnity 20 of this Agreement;

8. Interconnection Customer shall transfer control of Transmission Provider's Interconnection Facilities and Stand Alone Network Upgrades Upgrade(s) to Transmission Provider;

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

10. Transmission Provider shall approve and accept for operation and maintenance Transmission Provider's Interconnection Facilities and Stand Alone Network Upgrades Upgrade(s) to the extent engineered, procured, and constructed in accordance with this Article 5.2;

11. Interconnection Customer shall deliver to Transmission Provider “as-built” drawings, information, and any other documents that are reasonably required by Transmission Provider to assure that the Interconnection Facilities and Stand-Alone Network Upgrades Upgrade(s) are built to the standards and specifications required by Transmission Provider; and

12. If Interconnection Customer exercises the Option to Build pursuant to Article 5.1.3, Interconnection Customer shall pay Transmission Provider the actual amount of
costs for Transmission Provider to execute the responsibilities enumerated to Transmission Provider under this Article 5.2.

5.3. 5.3 Additional Contracts.

Transmission Provider and Interconnection Customer may enter into additional contracts as appropriate for activities related to engineering, procurement and construction of Interconnection Facilities and Network Upgrades.

5.4. 5.4 Power System Stabilizers.

The Interconnection Customer shall procure, install, maintain and operate Power System Stabilizers in accordance with the guidelines and procedures established by the Applicable Reliability Standards. Transmission Provider reserves the right to reasonably establish minimum acceptable settings for any installed Power System Stabilizers, subject to the design and operating limitations of the Large Generating Facility. If the Large Generating Facility’s Power System Stabilizers are removed from service or not capable of automatic operation, Interconnection Customer shall immediately notify Transmission Provider’s system operator, or its designated representative.

5.5. 5.5 Equipment Procurement.

If responsibility for construction of Transmission Provider’s Interconnection Facilities or Network Upgrades is to be borne by Transmission Provider, then Transmission Provider shall commence design of Transmission Provider’s Interconnection Facilities or Network Upgrades and procure necessary equipment as soon as practicable after all of the following conditions are satisfied, unless the Parties otherwise agree in writing:

5.5.1. Transmission Provider has completed the Facilities Study all required studies pursuant to the Facilities Study Agreement.

5.5.2. Transmission Provider has received written authorization to proceed with design and procurement from Interconnection Customer by the date specified in Appendix B to this Agreement or in the EPC Agreement; and

5.5.3. Interconnection Customer has provided security to Transmission Provider in accordance with Article 11.5 by the dates specified in Appendix B to this Agreement or in the EPC Agreement.

5.6. 5.6 Construction Commencement.

Transmission Provider shall commence construction of Transmission Provider’s Interconnection Facilities and Network Upgrades for which it is responsible as soon as practicable after the following additional conditions are satisfied:

5.6.1. Approval of the appropriate Governmental Authority has been obtained for any facilities requiring regulatory approval;

5.6.2. Necessary real property rights and rights-of-way have been obtained, to the extent required for the construction of a discrete aspect of Transmission Provider's Interconnection Facilities and Network Upgrades.
5.6.3 Transmission provider has received written authorization to proceed with construction from Interconnection Customer by the date specified in Appendix B to this Agreement; and

5.6.4 Interconnection Customer has provided security to Transmission Provider in accordance with Article 11.5 by the dates specified in the Appendix B to this Agreement.

5.7 Interconnection Customer's Interconnection Facilities. Interconnection Customer's Interconnection Facilities ("ICIF").

Interconnection Customer shall, at its expense, design, procure, construct, own and install the ICIF, as set forth in Appendix A to this Agreement.

5.7.1 Interconnection Customer's Interconnection Facilities Specifications.

Interconnection Customer shall submit initial specifications for the ICIF, including System Protection Facilities, to Transmission Provider at least one hundred eighty (180) Calendar Days prior to the Requested In-Service Date; and final specifications for review and comment at least ninety (90) Calendar Days prior to the Requested Initial Synchronization Date. Transmission Provider shall review such specifications to ensure that the ICIF are compatible with the technical specifications, operational control, and safety requirements of Transmission Provider and comment on such specifications within thirty (30) Calendar Days of Interconnection Customer's submission. All specifications provided hereunder shall be deemed confidential.

5.7.2 Transmission Provider's Review.

Transmission Provider's review of Interconnection Customer's final specifications shall not be construed as confirming, endorsing, or providing a warranty as to the design, fitness, safety, durability or reliability of the Large Generating Facility, or the ICIF. Interconnection Customer shall make such changes to the ICIF as may reasonably be required by Transmission Provider, in accordance with Good Utility Practice, to ensure that the ICIF are compatible with the technical specifications, operational control, and safety requirements of Transmission Provider.

5.7.3 Interconnection Customer's Interconnection Facilities Construction.

ICIF Construction. The ICIF shall be designed and constructed in accordance with Good Utility Practice. Within one hundred twenty (120) Calendar Days after the Commercial Operation Date, unless the Parties agree on another mutually acceptable deadline, Interconnection Customer shall deliver to Transmission Provider as-built drawings, information and documents for the ICIF, such as: a one-line diagram, a site plan showing the Large Generating Facility and the ICIF, plan and elevation drawings.
showing the layout of the **ICIF Interconnection Customer's Interconnection Facilities**, a relay functional diagram, relaying AC and DC schematic wiring diagrams and relay settings for all facilities associated with Interconnection Customer's step-up transformers, the facilities connecting the **Large Generating Facility** to the step-up transformers and the **ICIF Interconnection Customer's Interconnection Facilities**, and the impedances (determined by factory tests) for the associated step-up transformers and the **Large Generating Facility**. The Interconnection Customer shall provide Transmission Provider with specifications for the excitation system, automatic voltage regulator, **Large Generating Facility** control and protection settings, transformer tap settings, and communications, if applicable.

### 5.8 Transmission Provider's Interconnection Facilities Construction.

Transmission Provider's Interconnection Facilities shall be designed and constructed in accordance with Good Utility Practice. Transmission Provider Upon request, within one hundred twenty (120) Calendar Days after the Commercial Operation Date, unless the Parties agree on another mutually acceptable deadline, Transmission Provider shall deliver to Interconnection Customer records of installed equipment (as-built) drawings, information and documents for Transmission Provider's Interconnection Facilities, including appropriate drawings and relay diagrams.

Transmission Provider will obtain control of Transmission Provider’s Interconnection Facilities and Stand Alone Network Upgrade(s) upon completion of such facilities.

### 5.9 Work Progress.

The Parties will keep each other advised periodically as to the progress of their respective design, procurement and construction efforts. Either Party may, at any time, request a progress report from the other Party. If, at any time, Interconnection Customer determines that the completion of Transmission Provider’s Interconnection Facilities will not be required until after the specified Requested In-Service Date, Interconnection Customer will provide written notice to Transmission Provider of such later date upon which the completion of Transmission Provider’s Interconnection Facilities will be required.

### 5.10 Information Exchange.

As soon as reasonably practicable after the Effective Date, the Parties shall exchange information regarding the design and compatibility of the Parties' Interconnection Facilities and compatibility of the Interconnection Facilities with Transmission Provider's Transmission System, and shall work diligently and in good faith to make any necessary design changes.

### 5.11 Other Interconnection Options.

#### 5.11.1 Limited Operation.

If any of Transmission Provider’s Interconnection Facilities or Network Upgrade(s) are not reasonably expected to be completed prior to the Requested Initial Synchronization Date of the **Large Generating Facility**, Transmission Provider shall, upon the request and at the expense of Interconnection Customer, perform operating studies on a timely basis to determine the extent to which the **Large Generating Facility** and Interconnection Customer’s Interconnection Facilities may operate prior to the completion of Transmission Provider’s Interconnection Facilities or Network Upgrade(s) consistent with Applicable Laws and Regulations, Applicable
Reliability Standards, Good Utility Practice, and this LGIA Agreement. Transmission Provider shall permit Interconnection Customer to operate the Large Generating Facility and Interconnection Customer’s Interconnection Facilities in accordance with the results of such studies.

5.12. Land of Other Property Owners.

5.11.2 Provisional Interconnection Service. Upon the request of Interconnection Customer, and prior to completion of requisite Interconnection Facilities, Network Upgrades, Distribution Upgrades, or System Protection Facilities, Transmission Provider may execute a Provisional Large Generator Interconnection Agreement with the Interconnection Customer for limited Interconnection Service at the Discretion of Transmission Provider based upon an evaluation that will consider the results of available studies. Transmission Provider shall determine, through available studies or additional studies as necessary, whether stability, short circuit, thermal, and/or voltage issues would arise if Interconnection Customer interconnects without modifications to the Generating Facility or Transmission System. Transmission Provider shall determine whether any Interconnection Facilities, Network Upgrades, Distribution Upgrades, or System Protection Facilities that are necessary to meet the requirements of NERC, or any applicable regional entity for the interconnection of a new, modified and/or expanded Generating Facility are in place prior to the commencement of Interconnection Service from the Generating Facility. Where available studies indicate that such, Interconnection Facilities, Network Upgrades, Distribution Upgrades, and/or System Protection Facilities that are required for the interconnection of a new, modified and/or expanded Generating Facility are not currently in place, Transmission Provider will perform a study, at the Interconnection Customer’s expense, to confirm the facilities that are required for Provisional Interconnection Service. The maximum permissible output of the Generating Facility in the Provisional Large Generator Interconnection Agreement shall be studied and updated on a frequency determined by Transmission Provider and at the Interconnection Customer’s expense. Interconnection Customer assumes all risk and liabilities with respect to changes between the Provisional Large Generator Interconnection Agreement and the Large Generator Interconnection Agreement, including changes in output limits and Interconnection Facilities, network upgrades, distribution upgrades, and/or System Protection Facilities cost responsibilities.

If any part of Transmission Provider or Transmission Owner’s Interconnection Facilities and/or Network Upgrade(s) is to be installed on property owned by persons other than Interconnection Customer or Transmission Owner, Transmission Provider or Transmission Owner shall at Interconnection Customer’s expenses use efforts, similar in nature and extent to those that it typically undertakes on its own behalf or on behalf of its Affiliates, including use of its eminent domain authority, and to the extent consistent with state law, to procure from such persons any rights of use, licenses, rights of way and easements that are necessary to construct, operate, maintain, test, inspect, replace or remove Transmission Provider or Transmission Owner’s Interconnection Facilities and/or Network Upgrade(s) upon such property.


Upon reasonable notice and supervision by a Party, and subject to any required or necessary regulatory approvals, a Party ("Granting Party") shall furnish at no cost to the other Party ("Access Requesting Party")
any rights of use, licenses, rights of way and easements with respect to lands owned or controlled by the Granting Party, its agents (if allowed under the applicable agency agreement), or any Affiliate, that are necessary to enable the Access Party to obtain ingress and egress to construct, operate, maintain, repair, test (or witness testing), inspect, replace or remove facilities and equipment to: (i) interconnect the Large Generating Facility with the Transmission System; (ii) operate and maintain the Large Generating Facility, the Interconnection Facilities and the Transmission System; and (iii) disconnect or remove the Access Party's facilities and equipment upon termination of this LGIA Agreement. In exercising such licenses, rights of way and easements, the Access Party shall not unreasonably disrupt or interfere with normal operation of the Granting Party's business and shall adhere to the safety rules and procedures established in advance, as may be changed from time to time, by the Granting Party and provided to the Access Party. Such Access Rights shall be subject to modification and relocation by the Joint Participants as described in Article 5.1 of this Agreement and shall each terminate without further act of any Party upon termination of this LGIA Agreement. Upon such termination, each grantee under the applicable Access Right shall, at the request of Operating Agent, execute and deliver to the requesting Party in recordable form an instrument evidencing such termination.

5.14 Permits.

5.14 Permits—The Interconnection Customer bears sole responsibility for obtaining all permits, licenses and authorizations required for the requested interconnection, unless otherwise specifically noted in Appendix B to this Agreement.

5.15 Early Construction of Base Case Facilities—As described further in SRP's Business Practice, the Interconnection Customer may request Transmission Provider to construct, and Transmission Provider shall construct, using Reasonable Efforts to accommodate Interconnection Customer’s Requested In-Service Date, all or any portion of any Network Upgrade(s) required for Interconnection Customer to be interconnected to the Transmission System which are included in the Base Case of the Interconnection Facilities Study for Interconnection Customer, and which also are required to be constructed for another Interconnection Customer, but where such construction is not scheduled to be completed in time to achieve Interconnection Customer’s Requested In-Service Date.

5.16 Suspension.

5.15 Suspension—Interconnection Customer reserves the right, upon written notice to Transmission Provider, to suspend at any time all work by Transmission Provider associated with the construction and installation of Transmission Provider's Interconnection Facilities and/or Network Upgrade(s) required under this LGIA Agreement with the condition that Transmission System shall be left in a safe and reliable condition in accordance with Good Utility Practice and Transmission Provider's safety and reliability criteria. In such event, Interconnection Customer shall be responsible for all reasonable and necessary costs which Transmission Provider (i) has incurred pursuant to this LGIA Agreement prior to the suspension and (ii) incurs in suspending such work, including any costs incurred to perform such work as may be necessary to ensure the safety of persons and property and the integrity of the Transmission System during such suspension and, if applicable, any costs incurred in connection with the cancellation or suspension of material, equipment and labor contracts which Transmission Provider cannot reasonably avoid; provided, however, that prior to canceling or suspending any such material,
equipment or labor contract, Transmission Provider shall obtain Interconnection Customer's authorization to do so.

Transmission Provider shall invoice Interconnection Customer for such costs pursuant to Article 14 and shall use due diligence to minimize its costs. In the event Interconnection Customer suspends work by Transmission Provider required under this LGIA Agreement pursuant to this Article 5.105.16, and has not requested Transmission Provider to recommence the work required under this LGIA Agreement on or before the expiration of three (3) years following commencement of such suspension, this LGIA Agreement shall be deemed terminated. The three-year period shall begin on the date the suspension is requested, or the date of the written notice to Transmission Provider, if no effective date is specified.

Notwithstanding the forgoing, nothing in this section supersedes, modifies or tolls the requirements set forth in Section 3.2.1, Seven Year Queue Limit, 3.3.2 of the LGIP GIP associated with this LGIA Agreement. At the end of the Seven Year Queue Limit, the amount of capacity actually in service shall be reflected in Appendix C to this Agreement as the maximum interconnection service allowed.

**Article 6.** Article 6. Taxes.

6.1 Interconnection Customer Payments Not Taxable.

The Parties intend that all payments or property transfers made by Interconnection Customer to Transmission Provider for the installation of Transmission Provider's Interconnection Facilities and the Network Upgrades shall be non-taxable, consistent with status of Transmission Provider as a municipal entity under applicable tax law and regulations.

6.2 Indemnification for the Cost Consequences of Current Tax Liability Imposed Upon the Transmission Provider.

Notwithstanding Article 6.1, Interconnection Customer shall protect, indemnify and hold harmless Transmission Provider from the cost consequences of any current tax liability imposed against Transmission Provider as the result of payments, or property transfers or use of Transmission Provider’s facilities made by Interconnection Customer to the Joint Participants under this LGIA Agreement for Interconnection Facilities, as well as any interest and penalties, other than interest and penalties attributable to any delay caused by Transmission Provider.

6.3 Taxes Other Than Income Taxes.

Upon the timely request by Interconnection Customer, and at Interconnection Customer's sole expense, Transmission Provider may appeal, protest, seek abatement of, or otherwise contest any tax (other than federal or state income tax) asserted or assessed against Transmission Provider for which Interconnection Customer may be required to reimburse Transmission Provider under the terms of this LGIA Agreement. Interconnection Customer shall pay to Transmission Provider on a periodic basis, as invoiced by Transmission Provider, Transmission Provider's documented reasonable costs of prosecuting such appeal, protest, abatement, or other contest. Interconnection Customer and Transmission Provider shall cooperate in good faith with respect to any such contest. Unless the payment of such taxes is a prerequisite to an appeal or abatement or cannot be deferred, no amount shall be payable by Interconnection Customer to Transmission Provider for such taxes until they are assessed by a final, non-appealable order by any court or agency of competent jurisdiction. In the event that a tax payment is withheld and ultimately due...
and payable after appeal, Interconnection Customer will be responsible for all taxes, interest and penalties, other than penalties attributable to any delay caused by Transmission Provider.

6.4 Property and Other Taxes.

The Interconnection Customer shall use reasonable efforts to have any taxing authority imposing any property taxes or assessments on the Interconnection Customer’s interconnection facilities, impose such taxes or assessments directly upon the Interconnection Customer on the basis of its ownership interest in the Interconnection Facilities. In the event such tax authorities hold the Transmission Provider liable for property taxes or voluntary payments in lieu thereof in accordance with the Transmission Provider’s normal practices (“in lieu payments”) on the Interconnection Customer’s Interconnection Facilities, all such property taxes (or in lieu payments) or other taxes will be billed to and paid by the Interconnection Customer.

6.5 Tax Status.

Each Party shall cooperate with the other to maintain the other Party’s tax status. Nothing in this Agreement is intended to adversely affect any Transmission Provider's tax-exempt status with respect to issuance of bonds including, but not limited to, Local Furnishing Bonds, or other tax-exempt bonds. As used in this Agreement, the term “Local Furnishing Bonds” refers to tax-exempt bonds used to finance facilities for the local furnishing of electric energy, as described in Section 142(f) of the Internal Revenue Code of 1986, as amended, or corresponding provisions of predecessor statutes.

Article 7 Modification of Facilities.

7.1 General.

Either Party may undertake modifications to its facilities. If a Party plans to undertake a modification that reasonably may be expected to affect the other Party's facilities, that Party shall provide to the other Party sufficient information regarding such modification so that the other Party may evaluate the potential impact of such modification prior to commencement of the work. Such information shall be deemed to be confidential hereunder and shall include information concerning the timing of such modifications and whether such modifications are expected to interrupt the flow of electricity from the Large Generating Facility. The Party desiring to perform such work shall provide the relevant drawings, plans, and specifications to the other Party at least ninety (90) Calendar Days in advance of the commencement of the work or such shorter period upon which the Parties may agree, which agreement shall not unreasonably be withheld, conditioned or delayed.

In the case of a proposed Generating Facility modifications that do not require Interconnection Customer to submit an Interconnection Request, Transmission Provider shall provide, within thirty (30) Calendar Days (or such other time as the Parties may agree), an estimate of any additional modifications to the Transmission System, Transmission Provider's Interconnection Facilities or Network Upgrades necessitated by such Interconnection Customer modification and a good faith estimate of the costs thereof.
7.2 Standards.

Any additions, modifications, or replacements made to a Party's facilities shall be designed, constructed and operated in accordance with this Agreement and Good Utility Practice.

7.3 Modification Costs.

Interconnection Customer shall not be directly assigned for the costs of any additions, modifications, or replacements that Transmission Provider makes to Transmission Provider's Interconnection Facilities or the Transmission System to facilitate the interconnection of a third party to Transmission Provider's Interconnection Facilities or the Transmission System, or to provide transmission service to a third party under Transmission Provider's Tariff. Interconnection Customer shall be responsible for the costs of any additions, modifications, or replacements to Interconnection Customer's Interconnection Facilities that may be necessary to maintain or upgrade such Interconnection Customer's Interconnection Facilities consistent with Applicable Laws and Regulations, Applicable Reliability Standards or Good Utility Practice.

Article 8 Testing and Inspection.

8.1 Testing and Modifications Prior to In-Service Date.

Prior to the In-Service Date, Transmission Provider shall test Transmission Provider's Interconnection Facilities, and Network Upgrades and Interconnection Customer shall test the Large Generating Facility and Interconnection Customer's Interconnection Facilities to ensure their safe and reliable operation. Similar testing may be required prior to the Initial Synchronization Date. Each Party shall make any modifications to its facilities that are found to be necessary as a result of such testing. Interconnection Customer shall bear the cost of all such testing and modifications. Interconnection Customer shall generate test energy at the Large Generating Facility only if it has arranged for the delivery of such test energy.

8.2 Testing and Modifications Post Commercial Operation Date.

Each Party shall at its own expense perform routine inspection and testing of its facilities and equipment in accordance with Good Utility Practice as may be necessary to ensure the continued interconnection of the Large Generating Facility with the Transmission System in a safe and reliable manner. Each Party shall have the right, upon advance written notice, to require reasonable additional testing of the other Party's facilities, at the requesting Party's expense, as may be in accordance with Good Utility Practice.

8.3 Right to Observe Testing.

Each Party shall notify the other Party in advance of its performance of tests of its Interconnection Facilities. The other Party has the right, at its own expense, to observe such testing.

8.4 Right to Inspect.

Each Party shall have the right, but shall have no obligation to:
(i) observe the other Party’s tests and/or inspection of any of its System Protection Facilities and other protective equipment, including Power System Stabilizers; power system stabilizers;

(ii) review the settings of the other Party’s System Protection Facilities and other protective equipment; and

(iii) review the other Party’s maintenance records relative to the Interconnection Facilities, the System Protection Facilities and other protective equipment. A Party may exercise these rights from time to time as it deems necessary upon reasonable notice to the other Party. The exercise or non-exercise by a Party of any such rights shall not be construed as an endorsement or confirmation of any element or condition of the Interconnection Facilities or the System Protection Facilities or other protective equipment or the operation thereof, or as a warranty as to the fitness, safety, desirability, or reliability of same. Any information that a Party obtains through the exercise of any of its rights under this Article Section 8.4 shall be deemed to be Confidential Information and treated pursuant to Article 24 of this LGIA Agreement.

Article 9. Metering.

9.1 General.

Each Party shall comply with the Applicable Laws and Regulations and Applicable Reliability Standards. Unless otherwise agreed to by the Parties, Transmission Provider shall install Metering Equipment at or near the Point of Interconnection prior to any operation of the Large Generating Facility and shall own, operate, test and maintain such Metering Equipment. Power flows to and from the Large Generating Facility shall be measured at or, at Transmission Provider's option, compensated to, the Point of Interconnection. Transmission Provider shall provide metering quantities, in analog and/or digital form, to Interconnection Customer upon request. Interconnection Customer shall bear all reasonable documented costs associated with the purchase, installation, operation, testing and maintenance of the Metering Equipment.

9.2 Check Meters.

Interconnection Customer, at its option and expense, may install and operate, on its premises and on its side of the Point of Interconnection, one or more check meters to check Transmission Provider's meters. Such check meters shall be for check purposes only and shall not be used for the measurement of power flows for purposes of this LGIA Agreement, except as provided in Article 9.4 below herein. The check meters shall be subject at all reasonable times to inspection and examination by Transmission Provider or its designee. The installation, operation and maintenance thereof shall be performed entirely by Interconnection Customer in accordance with Good Utility Practice.

9.3 Standards.

Transmission Provider shall install, calibrate, and test revenue quality Metering Equipment in accordance with applicable ANSI standards.
9.4 Testing of Metering Equipment.

Transmission Provider shall inspect and test all Transmission Provider-owned Metering Equipment upon installation and at least once every two (2) years thereafter. If requested to do so by Interconnection Customer, Transmission Provider shall, at Interconnection Customer's expense, inspect or test Metering Equipment more frequently than every two (2) years. Transmission Provider shall give reasonable notice of the time when any inspection or test shall take place, and Interconnection Customer may have representatives present at the test or inspection. If at any time Metering Equipment is found to be inaccurate or defective, it shall be adjusted, repaired or replaced at Interconnection Customer's expense, in order to provide accurate metering, unless the inaccuracy or defect is due to Transmission Provider's failure to maintain, then Transmission Provider shall pay. If Metering Equipment fails to register, or if the measurement made by Metering Equipment during a test varies by more than 0.3 two percent (2%) from the measurement made by the standard meter used in the test, Transmission Provider shall adjust the measurements by correcting all measurements for the period during which Metering Equipment was in error by using Interconnection Customer's check meters, if installed. If no such check meters are installed or if the period cannot be reasonably ascertained, the adjustment shall be for the period immediately preceding the test of the Metering Equipment equal to one-half the time from the date of the last previous test of the Metering Equipment.

9.5 Metering Data.

At Interconnection Customer's expense, the metered data shall be telemetered to one or more locations designated by Transmission Provider and one or more locations designated by Interconnection Customer. Such telemetered data shall be used, under normal operating conditions, as the official measurement of the amount of energy delivered from the Large Generating Facility to the Point of Interconnection.

10.1 Interconnection Customer Obligations.

Interconnection Customer shall maintain satisfactory operating communications with Transmission Provider’s Transmission System dispatcher or representative designated by Transmission Provider. Interconnection Customer shall provide standard voice line, dedicated voice line and facsimile communications at its Large Generating Facility control room or central dispatch facility through use of either the public telephone system, or a voice communications system that does not rely on the public telephone system. Interconnection Customer shall also provide the dedicated data circuit(s) necessary to provide Interconnection Customer data to Transmission Provider as set forth in Appendix D, Security Arrangements Details to this Agreement. The data circuit(s) shall extend from the Large Generating Facility to the location(s) specified by Transmission Provider. Any required maintenance of such communications equipment shall be performed by Interconnection Customer. Operational communications shall be activated and maintained under, but not be limited to, the following events: system paralleling or separation, scheduled and unscheduled shutdowns, equipment clearances, and hourly and daily load data.

10.2 Remote Terminal Unit.

Prior to the In-Service Date of the Interconnection Facilities, a Remote Terminal Unit, or equivalent data collection and transfer equipment acceptable to the Parties, shall be installed by
Transmission Provider at Interconnection Customer’s expense, to gather accumulated and instantaneous data to be telemetered to the location(s) designated by Transmission Provider through use of a dedicated point-to-point data circuit(s) as indicated in Article 10.1. The communication protocol for the data circuit(s) shall be specified by Transmission Provider. Instantaneous bi-directional analog real power and reactive power flow information must be telemetered directly to the location(s) specified by Transmission Provider.

Each Party will promptly advise the other Party if it detects or otherwise learns of any metering, telemetry or communications equipment errors or malfunctions that require the attention and/or correction by the other Party. The Party owning such equipment shall correct such error or malfunction as soon as reasonably feasible.

10.3  No Annexation.

Any and all equipment placed on the premises of a Party shall be and remain the property of the Party providing such equipment regardless of the mode and manner of annexation or attachment to real property, unless otherwise mutually agreed by the Parties.

10.4  Provision of Data from a Variable Energy Resource.

The Interconnection Customer with a Variable Energy Resource Generating Facility shall provide meteorological and forced outage data as required by Transmission Provider for power production forecasts. The Interconnection Customer with a Variable Energy Resource having wind as the energy source, at a minimum, will be required to provide to Transmission Provider site-specific meteorological data including: temperature, wind speed, wind direction, and atmospheric pressure. The Interconnection Customer with a Variable Energy Resource having solar as the energy source, at a minimum, will be required to provide to Transmission Provider site-specific meteorological data including: temperature, atmospheric pressure, and irradiance. The exact specifications of the meteorological and forced outage data to be provided by the Interconnection Customer to Transmission Provider, including the frequency and timing of data submittals, shall be made taking into account the size and configuration of the Variable Energy Resource, its characteristics, location, and its importance in maintaining generation resource adequacy and transmission system reliability in its area. All requirements for meteorological and forced outage data must be commensurate with the power production forecasting employed by the Transmission Provider. Such requirements for meteorological and forced outage data are set forth in Appendix C of this LGIA Agreement, as they may change from time to time.


11.1  General.

Each Party shall comply with the Applicable Reliability Standards. Each Party shall provide to the other Party all information that may reasonably be required by the other Party to comply with Applicable Laws and Regulations and Applicable Reliability Standards.

11.2  Balancing Authority Area Notification.

At least one hundred twenty (120) days Calendar Days before In-Service Date, Interconnection Customer shall notify Transmission Provider in writing of the Balancing Authority Area in which the Large Generating Facility will be located. All necessary arrangements, including but not limited to those set forth in Article 9 and Article 10 of this LGIA Agreement, and Balancing Authority
Area generator interchange agreements, if applicable, and the appropriate measures under such agreements, shall be executed and implemented prior to the placement of the Large Generating Facility in the Balancing Authority Area.

11.3 Transmission Provider Obligations.

Transmission Provider shall cause the Transmission System and Transmission Provider's Interconnection Facilities to be operated, maintained and controlled in a safe and reliable manner and in accordance with this LGIA Agreement. Transmission Provider may provide operating instructions to Interconnection Customer consistent with this LGIA Agreement and Transmission Provider's operating protocols and procedures as they may change from time to time. Transmission Provider will consider changes to its operating protocols and procedures proposed by Interconnection Customer.

11.4 Interconnection Customer Obligations.

Interconnection Customer shall at its own expense operate, maintain and control the Large Generating Facility and Interconnection Customer's Interconnection Facilities in a safe and reliable manner and in accordance with this LGIA Agreement. Interconnection Customer shall operate the Large Generating Facility and Interconnection Customer's Interconnection Facilities in accordance with all applicable requirements of the Balancing Authority Area of which it is part, and such requirements as set forth in Appendix C of this LGIA Agreement. Appendix C will be modified to reflect changes to the requirements as they may change from time to time. Either Party may request that the other Party provide copies of the requirements set forth in Appendix C of this LGIA Agreement. If the output of the Generating Facility at the Point of Interconnection exceeds the Maximum Capacity, as specified in Appendix C of this Agreement, Transmission Provider, at its sole discretion, shall have the right to disconnect the Generating Facility until Interconnection Customer has demonstrated to Transmission Provider's satisfaction that sufficient controls are in place to limit the output of the Generating Facility at the Point of Interconnection to the Maximum Capacity. Interconnection Customer shall be fully responsible for any Adverse System Impact that is attributable to the Generating Facility exceeding the Maximum Capacity at the Point of Interconnection.

11.5 Start-Up and Synchronization.

Consistent with the Transmission Provider’s procedures, Interconnection Customer is responsible for the proper synchronization of the Large Generating Facility to Transmission Provider’s Transmission System.

11.6 Reactive Power and Primary Frequency Response.

11.6.1 Power Factor Design Criteria.

11.6.1.1 Synchronous Generation. Interconnection Customer shall design the Large Generating Facility to maintain a composite power delivery at continuous rated power output at the Point of Interconnection at a power factor within the range of 0.95 leading to 0.95 lagging, unless Transmission Provider has established...
different requirements that apply to all interconnected synchronous generators in the Balancing Authority Area on a comparable basis.

11.6.2.1 Non-Synchronous Generation. Interconnection Customer shall design the Generating Facility to maintain a composite power delivery at continuous rated power output at the Point of Interconnection at a power factor within the range of 0.95 leading to 0.95 lagging, unless the Transmission Provider has established a different power factor range that applies to all non-synchronous generators in the Balancing Authority Area on a comparable basis. This power factor range standard shall be dynamic and can be met using, for example, power electronics designed to supply this level of reactive capability (taking into account any limitations due to voltage level, real power output, etc.) or fixed and switched capacitors, or a combination of the two.

11.6.2 Voltage Schedules.

Once Interconnection Customer has synchronized the Large Generating Facility with the Transmission System, Transmission Provider shall require Interconnection Customer to operate the Large Generating Facility to produce or absorb reactive power within the design limitations of the Large Generating Facility set forth in Article 11.6.1 (Power Factor Design Criteria) of this Agreement. Transmission Provider's voltage schedules shall treat all sources of reactive power in the Balancing Authority Area in an equitable and not unduly discriminatory manner. Transmission Provider shall exercise Reasonable Efforts to provide Interconnection Customer with such schedules at least one (1) day in advance, and may make changes to such schedules as necessary to maintain the reliability of the Transmission System. Interconnection Customer shall operate the Large Generating Facility to maintain the specified output voltage or power factor at the Point of Interconnection within the design limitations of the Large Generating Facility set forth in Article 11.6.1 (Power Factor Design Criteria) of this Agreement. If Interconnection Customer is unable to maintain the specified voltage or power factor, it shall promptly notify the System Operator.

11.6.2.1 Governors and Voltage Regulators. Whenever the Large Generating Facility is operated in parallel with the Transmission System and the speed governors (if installed on the generating unit pursuant to Good Utility Practice) and voltage regulators are capable of operation, Interconnection Customer shall operate the Large Generating Facility with its speed governors and voltage regulators in automatic operation. If the Large Generating Facility's reactive power production or absorption (measured in MVARs) are within the design capability of the Large Generating Facility's generating unit(s) and steady state stability limits. Interconnection Customer shall immediately notify Transmission Provider's system operator, or its designated representative, and ensure that such Large Generating Facility's reactive power production or absorption (measured in MVARs) are within the design capability of the Large Generating Facility's generating unit(s) and steady state stability limits. Interconnection Customer shall not cause its Large Generating Facility to disconnect automatically or instantaneously from the Transmission System or trip any generating unit comprising the Large Generating Facility for an under or over frequency condition unless the abnormal frequency condition persists for a time period beyond the limits set forth in ANSI/IEEE
Standard C37.106, or such other standard as applied to other generators interconnected in the Balancing Authority Area on a comparable basis.

11.6.3 Payment for Reactive Power.

Transmission Provider is required to pay Interconnection Customer for reactive power that Interconnection Customer provides or absorbs from the Large Generating Facility only in those instances where the Transmission Provider requests Interconnection Customer to operate its Large Generating Facility outside the agreed-upon dead band range specified in Article 11.6.1, provided that if Transmission Provider pays its own or affiliated generators for reactive power service within the specified range, it must also pay Interconnection Customer. Payments shall be pursuant to Article 13.5 or such other agreement to which the Parties have otherwise agreed.

11.6.4 Primary Frequency Response.

Interconnection Customer shall ensure the primary frequency response capability of its Generating Facility by installing, maintaining, and operating a functioning governor or equivalent controls. The term “functioning governor or equivalent controls” as used herein shall mean the required hardware and/or software that provides frequency responsive real power control with the ability to sense changes in system frequency and autonomously adjust the Generating Facility’s real power output in accordance with the droop and deadband parameters and in the direction needed to correct frequency deviations. Interconnection Customer is required to install a governor or equivalent controls with the capability of operating: (1) with a maximum five percent (5%) droop and ±0.036 Hz deadband; or (2) in accordance with the relevant droop, deadband, and timely and sustained response settings from an approved NERC Reliability Standard providing for equivalent or more stringent parameters. The droop characteristic shall be: (1) based on the nameplate capacity of the Generating Facility, and shall be linear in the range of frequencies between 59 to 61 Hz that are outside of the deadband parameter; (2) based on an approved NERC Reliability Standard providing for an equivalent or more stringent parameter. The deadband parameter shall be: the range of frequencies above and below nominal (60 Hz) in which the governor or equivalent controls is not expected to adjust the Generating Facility’s real power output in response to frequency deviations. The deadband shall be implemented: (1) without a step to the droop curve, that is, once the frequency deviation exceeds the deadband parameter, the expected Generating Facility’s real power output in response to frequency deviations shall start from zero and then increase (for under-frequency deviations) or decrease (for over-frequency deviations) linearly in proportion to the magnitude of the frequency deviation; or (2) in accordance with an approved NERC Reliability Standard providing for an equivalent or more stringent parameter. Interconnection Customer shall notify Transmission Provider that the primary frequency response capability of the Generating Facility has been tested and confirmed during commissioning. Once Interconnection Customer has synchronized the Generating Facility with the Transmission System, Interconnection Customer shall operate the Generating Facility consistent with the provisions specified in Articles 11.6.4.1 and 11.6.4.2 of this Agreement. The primary frequency response requirements contained herein shall apply to both synchronous and non-synchronous Generating Facilities.
11.6.4.1. Governor or Equivalent Controls. Whenever the Generating Facility is operated in parallel with the Transmission System, Interconnection Customer shall operate the Generating Facility with its governor or equivalent controls in service and responsive to frequency. Interconnection Customer shall: (1) in coordination with Transmission Provider and/or the relevant Balancing Authority, set the deadband parameter to: (1) a maximum of ±0.036 Hz and set the droop parameter to a maximum of five percent (5%); or (2) implement the relevant droop and deadband settings from an approved NERC Reliability Standard that provides for equivalent or more stringent parameters. Interconnection Customer shall be required to provide the status and settings of the governor or equivalent controls to Transmission Provider and/or the relevant Balancing Authority upon request. If Interconnection Customer needs to operate the Generating Facility with its governor or equivalent controls not in service, Interconnection Customer shall immediately notify Transmission Provider and the relevant Balancing Authority, and provide both with the following information: (1) the operating status of the governor or equivalent controls (i.e., whether it is currently out of service or when it will be taken out of service); (2) the reasons for removing the governor or equivalent controls from service; and (3) a reasonable estimate of when the governor or equivalent controls will be returned to service. Interconnection Customer shall make Reasonable Efforts to return its governor or equivalent controls into service as soon as practicable. Interconnection Customer shall make Reasonable Efforts to keep outages of the Generating Facility’s governor or equivalent controls to a minimum whenever the Generating Facility is operated in parallel with the Transmission System.

11.6.4.2. Timely and Sustained Response. Interconnection Customer shall ensure that the Generating Facility’s real power response to sustained frequency deviations outside of the deadband setting is automatically provided and shall begin immediately after frequency deviates outside of the deadband, and to the extent the Generating Facility has operating capability in the direction needed to correct the frequency deviation. Interconnection Customer shall not block or otherwise inhibit the ability of the governor or equivalent controls to respond and shall ensure that the response is not inhibited, except under certain operational constraints including, but not limited to, ambient temperature limitations, physical energy limitations, outages of mechanical equipment, or regulatory requirements. The Generating Facility shall sustain the real power response at least until system frequency returns to a value within the deadband setting of the governor or equivalent controls. A FERC-approved Reliability Standard with equivalent or more stringent requirements shall supersede the above requirements.

11.6.4.3. Exemptions. Generating Facilities that are regulated by the United States Nuclear Regulatory Commission shall be exempt from Articles 11.6.4.1 and 11.6.4.2 of this Agreement. Generating Facilities that are behind the meter generation that is sized-to-load (i.e., the thermal load and the generation are near-balanced in real-time operation and the generation is primarily controlled to maintain the unique thermal, chemical, or mechanical output necessary for the operating requirements of its host facility) shall be required to install primary frequency response capability in accordance with the droop and deadband capability requirements specified in Article 11.6.4 herein, but shall be otherwise...
exempt from the operating requirements in Articles 11.6.4, 11.6.4.1, 11.6.4.2, and 11.6.4.4 herein.

11.6.4.4. Electric Storage Resources. Interconnection Customer interconnecting an Electric Storage Resource shall establish an operating range in Appendix C of this Agreement that specifies a minimum state of charge and a maximum state of charge between which the electric storage resource will be required to provide primary frequency response consistent with the conditions set forth in Articles 11.6.4, 11.6.4.1, 11.6.4.2 and 11.6.4.3 herein. Appendix C to this Agreement shall specify whether the operating range is static or dynamic, and shall consider: (1) the expected magnitude of frequency deviations in the interconnection; (2) the expected duration that system frequency will remain outside of the deadband parameter in the interconnection; (3) the expected incidence of frequency deviations outside of the deadband parameter in the interconnection; (4) the physical capabilities of the electric storage resource; (5) operational limitations of the electric storage resource due to manufacturer specifications; and (6) any other relevant factors agreed to by Transmission Provider and Interconnection Customer, and in consultation with the relevant Transmission Owner or Balancing Authority as appropriate. If the operating range is dynamic, then Appendix C to this Agreement must establish how frequently the operating range will be reevaluated and the factors that may be considered during its reevaluation.

Interconnection Customer’s Electric Storage Resource is required to provide timely and sustained primary frequency response consistent with Article 11.6.4.2 herein when it is online and dispatched to inject electricity to the Transmission System and/or receive electricity from the Transmission System. This excludes circumstances when the electric storage resource is not dispatched to inject electricity from the Transmission System. If Interconnection Customer’s Electric Storage Resource is charging at the time of a frequency deviation outside of its deadband parameter, it is to increase (for over-frequency deviations) or decrease (for under-frequency deviations) the rate at which it is charging in accordance with its droop parameter. Interconnection Customer’s Electric Storage Resource is not required to change from charging to discharging, or vice versa, unless the response necessitated by the droop and deadband settings requires it to do so and it is technically capable of making such a transition.

11.7. Outages and Interruptions.

11.7.1. Outages.

11.7.1.1. Outage Authority and Coordination. Each Party may in accordance with Good Utility Practice in coordination with the other Party remove from service any of its respective Interconnection Facilities or Network Upgrade(s) that may impact the other Party’s facilities as necessary to perform maintenance or testing or to install or replace equipment. Absent an Emergency Condition, the Party scheduling a removal of such facility(ies) from service will use Reasonable Efforts to schedule such removal on a date and time mutually acceptable to the Parties. In all circumstances, any Party planning to remove such facility(ies) from service shall use Reasonable Efforts to minimize the effect on the other Party of such removal.
Notwithstanding the forgoing, the Transmission Provider, in all circumstances, retains ultimate authority to deny any non-Emergency Condition removal from service.

11.7.1.2.  Outage Schedules. Transmission Provider shall post scheduled outages of its transmission facilities on the OASIS. Interconnection Customer shall submit its planned maintenance schedules for the Large Generating Facility to Transmission Provider for a minimum of a rolling twenty-four month period. Interconnection Customer shall update its planned maintenance schedules as necessary. Transmission Provider may request Interconnection Customer to reschedule maintenance as necessary to maintain the reliability of the Transmission System. Transmission Provider shall compensate Interconnection Customer for any additional direct costs that Interconnection Customer incurs as a result of having to reschedule maintenance, including any additional overtime, breaking of maintenance contracts or other costs above and beyond the cost Interconnection Customer would have incurred absent Transmission Provider's request to reschedule maintenance. Interconnection Customer will not be eligible to receive compensation, if during the twelve (12) months prior to the date of the scheduled maintenance, Interconnection Customer had modified its schedule of maintenance activities.

11.7.1.3.  Outage Restoration. If an outage on a Party's Interconnection Facilities or Network adversely affects the other Party's operations or facilities, the Party that owns or controls the facility that is out of service shall use Reasonable Efforts to promptly restore such facility(ies) to a normal operating condition consistent with the nature of the outage. The Party that owns or controls the facility that is out of service shall provide the other Party, whose operations or facilities are adversely affected, to the extent such information is known, information on the nature of the Emergency Condition, an estimated time of restoration, and any corrective actions required. Initial verbal notice shall be followed up as soon as practicable with written notice explaining the nature of the outage.

11.7.2.  Interruption of Service.

If required by Good Utility Practice to do so, Transmission Provider may require Interconnection Customer to interrupt or reduce deliveries of electricity if such delivery of electricity could adversely affect Transmission Provider's ability to perform such activities as are necessary to safely and reliably operate and maintain the Transmission System. The following provisions shall apply to any interruption or reduction permitted under this Article 11.7.2:

11.7.2.1.  The interruption or reduction shall continue only for so long as reasonably necessary under Good Utility Practice;

11.7.2.2.  Any such interruption or reduction shall be made on an equitable, non-discriminatory basis with respect to all
generating facilities directly connected to the Transmission System if doing so will resolve the reasons for any given Transmission System problem.

11.7.2.3 When the interruption or reduction must be made under circumstances which do not allow for advance notice, Transmission Provider shall notify Interconnection Customer by telephone as soon as practicable of the reasons for the curtailment, interruption, or reduction, and, if known, its expected duration. Telephone notification shall be followed by written notification as soon as practicable;

11.7.2.4 Except during the existence of an Emergency Condition, when the interruption or reduction can be scheduled without advance notice, Transmission Provider shall notify Interconnection Customer in advance regarding the timing of such scheduling and further notify Interconnection Customer of the expected duration. Transmission Provider shall coordinate with Interconnection Customer using Good Utility Practice to schedule the interruption or reduction during periods of least impact to Interconnection Customer and Transmission Provider;

11.7.2.5 The Parties shall cooperate and coordinate with each other to the extent necessary in order to restore the Large Generating Facility, Interconnection Facilities, and the Transmission System to their normal operating state, consistent with system conditions and Good Utility Practice.

11.7.3 Under-Frequency and Over-Frequency Conditions.

The Transmission System is designed to automatically activate a load-shed program as required by the Applicable Reliability Standards in the event of an under-frequency system disturbance. Interconnection Customer shall implement under-frequency and over-frequency relay set points for the Large Generating Facility as required by the Applicable Reliability Standards to ensure “ride through” capability of the Transmission System. Large Generating Facility response to frequency deviations of pre-determined magnitudes, both under-frequency and over-frequency deviations, shall be studied and coordinated with Transmission Provider in accordance with Good Utility Practice. The term “ride through” as used herein shall mean the ability of a Generating Facility to stay connected to and synchronized with the Transmission System during system disturbances within a range of under-frequency and over-frequency conditions, in accordance with Good Utility Practice.
11.7.4. System Protection and Other Control Requirements.

11.7.4.1. System Protection Facilities. Interconnection Customer shall, at its expense, install, operate and maintain System Protection Facilities as a part of the Large Generating Facility or Interconnection Customer's Interconnection Facilities. Transmission Provider shall install at Interconnection Customer's expense any System Protection Facilities that may be required on Transmission Provider's Interconnection Facilities or the Transmission System as a result of the interconnection of the Large Generating Facility and Interconnection Customer's Interconnection Facilities.

11.7.4.2. Each Party's System Protection Facilities shall be designed and coordinated with other systems in accordance with Good Utility Practice.

11.7.4.3. Each Party shall be responsible for protection of its facilities consistent with Good Utility Practice.

11.7.4.4. Each Party's protective relay design shall incorporate the necessary test switches to perform the tests required in Article 8 of this Agreement. The required test switches will be placed such that they allow operation of lockout relays while preventing breaker failure schemes from operating and causing unnecessary breaker operations and/or the tripping of Interconnection Customer's units.

11.7.4.5. Each Party will test, operate and maintain its respective System Protection Facilities in accordance with Good Utility Practice.

11.7.4.6. Prior to the In-Service Date, and again prior to the Initial Synchronization Date, each Party or its agent shall perform a complete calibration test and functional trip test of its respective System Protection Facilities. At intervals suggested by Good Utility Practice and following any apparent malfunction of the System Protection Facilities, each Party shall perform both calibration and functional trip tests of its respective System Protection Facilities. These tests do not require the tripping of any in-service generation unit. These tests do, however, require that all protective relays and lockout contacts be activated.

11.7.5. Requirements for Protection.

In compliance with Good Utility Practice, Interconnection Customer shall provide, install, own, and maintain relays, circuit breakers and all other devices necessary to remove any fault contribution of the Large Generating Facility to any short circuit occurring on the Transmission System not otherwise isolated by Transmission Provider's equipment, such that the removal of the fault contribution shall be coordinated with the protective requirements of the Transmission System. Such protective equipment shall include, without limitation, a disconnecting device or switch with load-interrupting capability located between the Large Generating Facility and the Transmission System at a site selected upon mutual agreement (not to be unreasonably withheld, conditioned or delayed) of the Parties. Interconnection Customer shall be responsible for protection of the Large
Generating Facility and Interconnection Customer’s other equipment from such conditions as negative sequence currents, over- or under-frequency, sudden load rejection, over- or under-voltage, and generator loss-of-field. Interconnection Customer shall be solely responsible to disconnect the Large Generating Facility and Interconnection Customer’s other equipment if conditions on the Transmission System could adversely affect the Large Generating Facility.

11.7.6 Power Quality.

Neither Party's facilities shall cause excessive voltage flicker nor introduce excessive distortion to the sinusoidal voltage or current waves as defined by the most current electrical industry standards and SRP’s Business Practices posted on OASIS.

11.8 Switching and Tagging Rules.

The Transmission Provider shall provide the Interconnection Customer a copy of its switching and tagging rules that are applicable to the Interconnection Customer's activities. Such switching and tagging rules shall be developed on a non-discriminatory basis. The Parties shall comply with applicable switching and tagging rules, as amended from time to time, in obtaining clearances for work or for switching operations on equipment.

11.9 Use of Interconnection Facilities by Third Parties.

11.9.1 Purpose of Interconnection Facilities.

Except as may be required by Applicable Laws and Regulations, or as otherwise agreed to among the Parties, the Interconnection Facilities shall be constructed for the sole purpose of interconnecting the Large Generating Facility to the Transmission System and shall be used for no other purpose.

11.9.2 Third Party Users.

If required by Applicable Laws and Regulations or if the Parties mutually agree, such agreement not to be unreasonably withheld, to allow one or more third parties to use Transmission Provider's Interconnection Facilities, or any part thereof, Interconnection Customer will be entitled to compensation for the capital expenses it incurred in connection with the Transmission Provider's Interconnection Facilities based upon the pro rata use of the Interconnection Facilities by Transmission Provider, all third party users, and Interconnection Customer, in accordance with Applicable Laws and Regulations or upon some other mutually agreed upon methodology.

In addition, cost responsibility for ongoing costs, including operation and maintenance costs associated with the Interconnection Facilities, will be allocated between Interconnection Customer and any third party users based upon the pro rata use of the Interconnection Facilities by Transmission Provider, all third party users, and Interconnection Customer, in accordance with Applicable Laws and Regulations or upon some other mutually agreed upon methodology, and in accordance with Appendix J to this Agreement.
11.10 Disturbance Analysis Data Exchange.

The Parties will cooperate with one another in the analysis of disturbances to either the Large Generating Facility or Transmission Provider's Transmission System by gathering and providing access to any information relating to any disturbance, including information from oscillography, protective relay targets, breaker operations and sequence of events records, and any disturbance information required by Good Utility Practice.

Article 12 Maintenance.

12.1 Transmission Provider Obligations.

Transmission Provider shall maintain the Transmission System and Transmission Provider's Interconnection Facilities in a safe and reliable manner and in accordance with this LGIA Agreement.

12.2 Interconnection Customer Obligations.

Interconnection Customer shall maintain the Large Generating Facility and Interconnection Customer's Interconnection Facilities in a safe and reliable manner and in accordance with this LGIA Agreement.

12.3 Coordination.

The Parties shall confer regularly to coordinate the planning, scheduling and performance of preventive and corrective maintenance on the Large Generating Facility and the Interconnection Facilities.

12.4 Secondary Systems.

Each Party shall cooperate with the other in the inspection, maintenance, and testing of control or power circuits that operate below 600 volts, AC or DC, including, but not limited to, any hardware, control or protective devices, cables, conductors, electric raceways, secondary equipment panels, transducers, batteries, chargers, and voltage and current transformers that directly affect the operation of a Party's facilities and equipment which may reasonably be expected to impact the other Party. Each Party shall provide advance notice to the other Party before undertaking any work on such circuits, especially on electrical circuits involving circuit breaker trip and close contacts, current transformers, or potential transformers.

12.5 Operating and Maintenance Expenses.

Subject to the provisions herein addressing the use of facilities by others, and except for operations and maintenance expenses associated with modifications made for providing interconnection to a third party and such third party pays for such expenses, Interconnection Customer shall be responsible for a pro rata share of all reasonable expenses including overheads, associated with: (1) owning, operating, maintaining, repairing, and replacing Interconnection Customer's Interconnection Facilities; and (2) operation, maintenance, repair and replacement of Transmission Provider's Interconnection Facilities. If in the future, a third party, or any Party, is to interconnect to the Transmission System, the cost responsibilities for operations, maintenance and replacement are to be determined by the number of terminations. Excluded from this methodology is the protection equipment exclusively used by any such new
interconnector(s). These costs will be directly assigned to the owner of the interconnection which is being protected.

12.5.1 Payment for Use of Common Facilities.

If the Interconnection Customer is interconnecting into a pre-existing substation, the Interconnection Customer shall make the Common Facilities Use Fee payment to the Transmission Provider in accordance with the formula set forth in Appendix H-2 to this Agreement prior to the In-service Date. A similar Common Facilities Use Fee will be assessed to each future interconnection to the SRP Switchyard consistent with this Article 12.5 and the Interconnection Customer will be reimbursed a pro rata share of those fees utilizing the same methodology as set forth in Appendix J to this Agreement.

12.5.2 Interconnection Customer Cost Responsibilities.

Subject to the provisions herein addressing the use of facilities by others, and except for operations and maintenance expenses associated with modifications made for providing interconnection to a third party and such third party pays for such expenses, Interconnection Customer shall be responsible for:

(i) All expenses associated with owning, operating, maintaining, repairing, and replacing Interconnection Customer's Interconnection Facilities;

(ii) The Interconnection Customer Cost Responsibility (CRR) share of all expenses including overheads, associated with insurance costs, operation, maintenance, repair, replacement, enlargement or betterment of any unit of property or equipment pertaining to or associated with the Transmission Provider's Common Facilities, Transmission Provider's Interconnection Facilities, all other interconnection facilities within the Transmission Provider's switchyard. Such Interconnection Customer’s CRR shall be calculated as set forth in Appendix H-2 to this Agreement. Notwithstanding anything to the contrary in the preceding sentence, costs for improvements to the Transmission Provider’s Interconnection Facilities, which are requested by the Interconnection Customer, shall be the sole responsibility of the Interconnection Customer.

(iii) The CRR shall be recomputed by the Transmission Provider in accordance with Appendix I to this Agreement to reflect the installation of any additional Connection(s) at the Transmission Provider’s switchyard and shall be effective upon the date of firm operation thereof. Upon completion of such recalculated, Transmission Provider shall revise Appendix I to this Agreement to reflect the then current CRRs.

(iv) In accordance with Article 14 herein and the specific payment provisions of each appendix to this Agreement, on or before the In-Service Date, the Interconnection Customer shall make, cause to be made, or provide evidence of payment of the
Mitigation Facility Fee in accordance with the formulas set forth in Appendix K to this Agreement to Operating Agent.

**Article 13. Performance Obligation.**

**13.1 Interconnection Customer’s Interconnection Facilities.**

Interconnection Customer shall design, procure, construct, install, own and/or control Interconnection Customer’s Interconnection Facilities (“ICIF”) described in Appendix A to this Agreement, at its sole expense.

**13.2 Transmission Provider’s Interconnection Facilities.**

Transmission Provider or Transmission Owner shall design, procure, construct, install, own and/or control the Transmission Provider’s Interconnection Facilities described in Appendix A, Interconnection Facilities, Network Upgrades and Distribution Upgrades, to this Agreement, at the sole expense of the Interconnection Customer.

**13.3 Network Upgrade(s) and Distribution Upgrade(s).**

**13.3.1 Network Upgrades and Distribution Upgrades.** Transmission Provider or Transmission Owner shall design, procure, construct, install, and own the Network Upgrade(s) and Distribution Upgrade(s) described in Appendix A of this Agreement. The Interconnection Customer shall be responsible for all costs related to Network Upgrade(s) and Distribution Upgrade(s).

**13.4 Shared Network Upgrade(s).**

Interconnection Customer shall pay Transmission Provider or Transmission Owner for Shared Network Upgrade(s) identified pursuant to Section 5.3 of the GIP and memorialized in Appendix A to this Agreement. Payments shall be made in accordance with Section 3.5 of the GIP.

Transmission Provider or Transmission Owner subsequently shall disburse the payment for Shared Network Upgrade(s) to appropriate Interconnection Customer(s) from an earlier Cluster(s) with previously assigned costs associated with the Shared Network Upgrade(s) in accordance with Section 5.3 of the GIP. If the Shared Network Upgrade(s) is not in service, Interconnection Customer shall not be required to make a payment under Section 5.3 of the GIP until the Shared Network Upgrade(s) is in service. In the event that Interconnection Customer fails to meet its obligation to fund Shared Network Upgrade(s), Transmission Provider or Transmission Owner shall not be responsible for Interconnection Customer’s funding obligation.

**13.5 Provision of Security.**

At least thirty (30) Calendar Days prior to the commencement of the procurement, installation, or construction of a discrete portion of a Transmission Provider’s Interconnection Facilities, Network Upgrade(s), or Distribution Upgrade(s), Interconnection Customer shall provide Transmission Provider, at Transmission Provider’s option, a guarantee, a surety bond, letter of credit or other form of security that is reasonably acceptable to Transmission Provider. Such security for payment shall be in an amount sufficient to cover the costs for constructing, procuring and installing the applicable portion of Transmission Provider's Interconnection Facilities, Network Upgrade(s), or Distribution Upgrade(s) and shall be
reduced on a dollar-for-dollar basis for payments made to Transmission Provider for these purposes.

In addition:

**13.5.1, 13.4.1** The guarantee must be made by an entity that meets the creditworthiness requirements of Transmission Provider, and contain terms and conditions that guarantee payment of any amount that may be due from Interconnection Customer, up to an agreed-to maximum amount.

**13.5.2, 13.4.2** The letter of credit must be issued by a financial institution reasonably acceptable to Transmission Provider and must specify a reasonable expiration date.

**13.5.3, 13.4.3** The surety bond must be issued by an insurer reasonably acceptable to Transmission Provider and must specify a reasonable expiration date.

### 13.6 Interconnection Customer Compensation.

If Transmission Provider requests or directs Interconnection Customer to provide a service pursuant to Articles 11.6.3 (Payment for Reactive Power), or 15.5.1 of this LGIA or 15.4.1 of this Agreement, Transmission Provider shall compensate Interconnection Customer in accordance with Interconnection Customer's applicable rate schedule then in effect. To the extent that no rate schedule is in effect at the time the Interconnection Customer is required to provide or absorb any Reactive Power under this LGIA Agreement, Transmission Provider agrees to compensate Interconnection Customer in such amount as would have been due Interconnection Customer had the rate schedule been in effect at the time service commenced.

**13.6.1, 13.5.1** Interconnection Customer Compensation for Actions During Emergency Condition.

Transmission Provider shall compensate Interconnection Customer for its provision of real and reactive power and other Emergency Condition services that Interconnection Customer provides to support the Transmission System during an Emergency Condition in accordance with Article 11.6.3 of this Agreement.

### 13.7 Facility Connection Requirements.

All Interconnection Customers are required to follow the requirements of the Facility Connection Requirements Business Practice, posted on OASIS, based upon the type of generation.

### 13.8 Data Modeling Requirements for Inverter-Based Resources.

Transmission Provider requires Interconnection Customer with Inverter-Based Resources to submit all modeling data as required in SRP's Business Practices.

**Article 14**

### 14.1 General.

Each Party shall submit to the other Party, on a monthly basis, invoices of amounts due for the preceding month. Each invoice shall state the month to which the invoice applies and fully
describe the services and equipment provided. The Parties may discharge mutual debts and payment obligations due and owing to each other on the same date through netting, in which case all amounts a Party owes to the other Party under this LGIAAgreement, including interest payments or credits, shall be netted so that only the net amount remaining due shall be paid by the owing Party.

14.2 Final Invoice.

Within six months after completion of the construction of Transmission Provider’s Interconnection Facilities and Network Upgrade(s), Transmission Provider shall provide an invoice of the final cost of the construction of Transmission Provider’s Interconnection Facilities and Network Upgrade(s) and shall set forth such costs in sufficient detail to enable Interconnection Customer to compare the actual costs with the estimates and to ascertain deviations, if any, from the cost estimates. Transmission Provider shall refund to Interconnection Customer any amount by which the actual payment by Interconnection Customer for estimated costs exceeds the actual costs of construction within thirty (30) Calendar Days of the issuance of such final construction invoice.

14.3 Payment.

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

14.4 Disputes.

In the event of a billing dispute between Transmission Provider and Interconnection Customer, Transmission Provider shall continue to provide Interconnection Service under this LGIAAgreement as long as Interconnection Customer: (i) continues to make all payments not in dispute; and (ii) pays to Transmission Provider or into an independent escrow account the portion of the invoice in dispute, pending resolution of such dispute. If Interconnection Customer fails to meet these two requirements for continuation of service, then Transmission Provider may provide notice to Interconnection Customer of a Default pursuant to Article 19. Within thirty (30) Calendar Days after the resolution of the dispute, the Party that owes money to the other Party shall pay the amount due.

15.1 Obligations.

15.1 Definition. “Emergency Condition” shall mean a condition or situation: (i) that in the judgment of the Party making the claim is imminently likely to endanger life or property; or (ii) that, in the case of Transmission Provider, is imminently likely (as determined in a non-discriminatory manner) to cause a material adverse effect on the security of, or damage to the Transmission System, Transmission Provider’s Interconnection Facilities or the Transmission Systems of others to which the Transmission System is connected; or (iii) that, in the case of Interconnection Customer, is imminently likely (as determined in a non-discriminatory manner) to cause a material adverse effect on the security of, or
damage to, the Large Generating Facility or Interconnection Customer’s Interconnection Facilities. System restoration and black start shall be considered Emergency Conditions; provided, that Interconnection Customer is not obligated by this LGIA to possess black start capability.

15.2 Obliations. Each Party shall comply with the Emergency Condition procedures of the applicable ISO/RTO, NERC, Applicable Laws and Regulations, Applicable Reliability Standards, and any emergency procedures agreed to by the Joint Operating Committee.

15.3 Notice.

Transmission Provider shall notify Interconnection Customer promptly when it becomes aware of an Emergency Condition that affects Transmission Provider's Interconnection Facilities or the Transmission System that may reasonably be expected to affect Interconnection Customer’s operation of the Large—Generating Facility or Interconnection Customer's Interconnection Facilities. Interconnection Customer shall notify Transmission Provider promptly when it becomes aware of an Emergency Condition that affects the Large Generating Facility or Interconnection Customer's Interconnection Facilities that may reasonably be expected to affect the Transmission System or Transmission Provider's Interconnection Facilities. To the extent information is known, the notification shall describe the Emergency Condition, the extent of the damage or deficiency, the expected effect on the operation of Interconnection Customer's or Transmission Provider's facilities and operations, its anticipated duration and the corrective action taken and/or to be taken. The initial notice shall be followed as soon as practicable with written notice.

15.4 Immediate Action.

Unless, in Interconnection Customer’s reasonable judgment, immediate action is required, Interconnection Customer shall obtain the consent of Transmission Provider, such consent to not be unreasonably withheld, prior to performing any manual switching operations at the Large Generating Facility or Interconnection Customer's Interconnection Facilities in response to an Emergency Condition either declared by Transmission Provider or otherwise regarding the Transmission System.

15.5 Transmission Provider Authority.

15.5.1 General. Transmission Provider may take whatever actions or inactions with regard to the Transmission System or Transmission Provider's Interconnection Facilities it deems necessary during an Emergency Condition in order to:

(i) preserve public health and safety;
(ii) preserve the reliability of the Transmission System or Transmission Provider's Interconnection Facilities;
(iii) limit or prevent damage; and
(iv) expedite restoration of service.
Transmission Provider shall use Reasonable Efforts to minimize the effect of such actions or inactions on the Large-Generating Facility or Interconnection Customer's Interconnection Facilities. Transmission Provider may, on the basis of technical considerations, require the Large-Generating Facility to mitigate an Emergency Condition by taking actions necessary and limited in scope to remedy the Emergency Condition, including, but not limited to, directing Interconnection Customer to shut-down, start-up, increase or decrease the real or reactive power output of the Large-Generating Facility; implementing a reduction or disconnection pursuant to Article 15.5.2; directing Interconnection Customer to assist with blackstart (if available) or restoration efforts; or altering the outage schedules of the Large-Generating Facility and Interconnection Customer's Interconnection Facilities. Interconnection Customer shall comply with all of Transmission Provider's operating instructions concerning Large Generating Facility real power and reactive power output within the manufacturer's design limitations of the Large-Generating Facility's equipment that is in service and physically available for operation at the time, in compliance with Applicable Laws and Regulations and Applicable Reliability Standards.

15.4.2. 15.5.2 Reduction and Disconnection.

Transmission Provider may reduce Interconnection Service or disconnect the Large Generating Facility or Interconnection Customer's Interconnection Facilities, when such reduction or disconnection is necessary under Good Utility Practice due to Emergency Conditions. These rights are separate and distinct from any right of curtailment of Transmission Provider pursuant to Transmission Provider's Tariff. When Transmission Provider can schedule the reduction or disconnection in advance, Transmission Provider shall notify Interconnection Customer of the reasons, timing and expected duration of the reduction or disconnection. Transmission Provider shall coordinate with Interconnection Customer using Good Utility Practice to schedule the reduction or disconnection during periods of least impact to Interconnection Customer and Transmission Provider. Any reduction or disconnection shall continue only for so long as reasonably necessary under Good Utility Practice. The Parties shall cooperate with each other to restore the Large Generating Facility, the Interconnection Facilities, and the Transmission System to their normal operating state as soon as practicable consistent with Good Utility Practice.

15.5. 15.6 Interconnection Customer Authority.

Consistent with Good Utility Practice, Applicable Reliability Standards, and this LGIA Agreement, Interconnection Customer may take actions or inactions with regard to the Large-Generating Facility or Interconnection Customer's Interconnection Facilities during an Emergency Condition in order to (i) preserve public health and safety, (ii) preserve the reliability of the Large-Generating Facility or Interconnection Customer's Interconnection Facilities, (iii) limit or prevent damage, and (iv) expedite restoration of service. Interconnection Customer shall use Reasonable Efforts to minimize the effect of such actions or inactions on the Transmission System and Transmission Provider's Interconnection Facilities.

15.6. 15.7 Limited Liability.

Except as otherwise provided in Article 13.5.1 of this LGIA Agreement, neither Party shall be liable to the other for any action it takes in responding to an Emergency Condition so long as such action is made in good faith and is consistent with Good Utility Practice.
**Article 16.** Regulatory Requirements and Governing Law.

**16.1.** Regulatory Requirements.

Each Party’s obligations under this LGIA Agreement shall be subject to its receipt of any required approval or certificate from one or more Governmental Authorities in the form and substance satisfactory to the applying Party, or the Party making any required filings with, or providing notice to, such Governmental Authorities, and the expiration of any time period associated therewith. Each Party shall in good faith seek and use its Reasonable Efforts to obtain such other approvals. Nothing in this LGIA Agreement shall require any Party Interconnection Customer to take any action that could result in its inability to obtain, or its loss of, status or exemption under the Federal Power Act, the Public Utility Holding Company Act of 1935, as amended, or the Public Utility Regulatory Policies Act of 1978.

**16.2.** Governing Law.

**16.2.1.** The validity, interpretation and performance of this LGIA Agreement and each of its provisions shall be governed by the laws of the State of Arizona, without regard to conflicts of law principles.

**16.2.2.** This LGIA Agreement is subject to all Applicable Laws and Regulations. Each Party expressly reserves the right to seek changes in, appeal, or otherwise contest any laws, orders, rules, or regulations of a Governmental Authority. Nothing in this Agreement shall be meant to imply or cede jurisdiction to FERC or any other regulatory entity, to the extent that FERC or other regulatory entity does not have jurisdiction over a Party to this Agreement. FERC and other regulatory entities have limited jurisdiction over certain Parties and, by executing this Agreement, no Party is waiving or conceding any defenses it has to assert jurisdictional defenses, including, but not limited to, sovereign immunity, intergovernmental immunities, or lack of subject matter jurisdiction.

**Article 17.** Notices.

**17.1.** General.

Unless otherwise provided in this LGIA Agreement, any notice, demand or request required or permitted to be given by either Party to the other and any instrument required or permitted to be tendered or delivered by either Party in writing to the other shall be effective when delivered and may be so given, tendered or delivered, by recognized national courier, or by depositing the same with the United States Postal Service with postage prepaid, for delivery by certified or registered mail, addressed to the Party, or personally delivered to the Party, at the address set out in Appendix F, Addresses for Delivery of Notices and Billings to this Agreement.

Either Party may change the notice information in this LGIA Agreement by giving five (5) Business Days written notice prior to the effective date of the change.

**17.2.** Billings and Payments.

Billings and payments shall be sent to the addresses set out in Appendix F, to this Agreement.
17.3 Alternative Forms of Notice.

Any notice or request required or permitted to be given by a Party to the other and not required by this Agreement to be given in writing may be so given by telephone, facsimile or email to the telephone numbers and email addresses set out in Appendix F to this Agreement.

17.4 Operations and Maintenance Notice.

Each Party shall notify the other Party in writing of the identity of the person(s) that it designates as the point(s) of contact with respect to the implementation of Articles 119 and 1210 of this Agreement.

Article 18. Force Majeure.

18.1 Force Majeure.

18.1.1 Economic hardship is not considered a Force Majeure event.

18.1.2 Neither Party shall be considered to be in Default with respect to any obligation hereunder, (including obligations under Article 4), other than the obligation to pay money when due, if prevented from fulfilling such obligation by Force Majeure. A Party unable to fulfill any obligation hereunder (other than an obligation to pay money when due) by reason of Force Majeure shall give notice and the full particulars of such Force Majeure to the other Party in writing or by telephone as soon as reasonably possible after the occurrence of the cause relied upon. Telephone notices given pursuant to this Article shall be confirmed in writing as soon as reasonably possible and shall specifically state full particulars of the Force Majeure, the time and date when the Force Majeure occurred and when the Force Majeure is reasonably expected to cease. The Party affected shall exercise due diligence to remove such disability with reasonable dispatch, but shall not be required to accede or agree to any provision not satisfactory to it in order to settle and terminate a strike or other labor disturbance.


19.1 Default.

19.1.1 General.

No Default shall exist where such failure to discharge an obligation (other than the payment of money) is the result of Force Majeure as defined in this Agreement or the result of an act of omission of the other Party. Upon a Breach, the non-breaching Party shall give written notice of such Breach to the breaching Party. Except as provided in Article 19.1.2 below, the breaching Party shall have thirty (30) Calendar Days from receipt of the Default notice within which to cure such Breach; provided however, if such Breach is not capable of cure within thirty (30) Calendar Days, the breaching Party shall commence such cure within thirty (30) Calendar Days after notice and continuously and diligently complete such cure within ninety (90) Calendar Days from receipt of the Default notice; and, if cured within such time, the Breach specified in such notice shall cease to exist.
**19.1.2. Right to Terminate.**

If a Breach is not cured as provided in this Article 19, or if a Breach is not capable of being cured within the period provided for herein, the non-breaching Party shall have the right to declare a Default and terminate this LGIA Agreement by written notice at any time until cure occurs, and be relieved of any further obligation hereunder and, whether or not that Party terminates this LGIA Agreement, to recover from the breaching Party all amounts due hereunder, plus all other damages and remedies to which it is entitled at law or in equity. The provisions of this Article will survive termination of this LGIA Agreement.

**Article 20. Indemnity, Consequential Damages and Insurance.**

**20.1. Indemnity.**

Each Party shall at all times indemnify, defend, and hold the other Party ("Indemnified Party") harmless from, any and all damages, losses, claims, demand, suits, recoveries, costs and expenses, court costs, attorney fees, and all other obligations by or to third parties, for injury to or death of any person or damage to property, arising out of or resulting from the Indemnified Party's action or inactions of its obligations under this LGIA Agreement on behalf of the Indemnifying Party, except in cases of gross negligence or intentional wrongdoing by the Indemnified Party.

**20.1.1. Indemnified Party.**

If an Indemnified Party is entitled to indemnification under this Article 20 as a result of a claim by a third party, and the Indemnifying Party fails, after notice and reasonable opportunity to proceed under this Article 20.1, to assume the defense of such claim, such Indemnified Party may at the expense of the Indemnifying Party contest, settle or consent to the entry of any judgment with respect to, or pay in full, such claim.

**20.1.2. Indemnifying Party.**

If an Indemnifying Party is obligated to indemnify and hold any Indemnified Party harmless under this Article 20, the amount owing to the Indemnified Party shall be the amount of such Indemnified Party's actual Loss, net of any insurance or other recovery.

**20.1.3. Indemnity Procedures.**

Promptly after receipt by an Indemnified Party of any claim or notice of the commencement of any action or administrative or legal proceeding or investigation as to which the indemnity provided for in Article 20.1 above may apply, the Indemnified Party shall notify the Indemnifying Party, in writing, of such claim or notice. Any failure of or delay in such notification shall not affect a Party's indemnification obligation unless such failure or delay is materially prejudicial to the Indemnifying Party.

The Indemnifying Party shall have the right to assume the defense thereof with counsel designated by such Indemnifying Party and reasonably satisfactory to the
Indemnified Party. If the defendants in any such action include one or more
Indemnified Parties and the Indemnifying Party and if the Indemnified Party
reasonably concludes that there may be legal defenses available to it and/or other
Indemnified Parties which are different from or additional to those available to the
Indemnifying Party, the Indemnified Party shall have the right to select separate
counsel to assert such legal defenses and to otherwise participate in the defense
of such action on its own behalf. In such instances, the Indemnifying Party shall
only be required to pay the fees and expenses of one additional attorney to
represent an Indemnified Party or Indemnified Parties having such differing or
additional legal defenses.

The Indemnified Party shall be entitled, at its expense, to participate in any such
action, suit or proceeding, the defense of which has been assumed by the
Indemnifying Party. Notwithstanding the foregoing, the Indemnifying Party (i) shall
not be entitled to assume and control the defense of any such action, suit or
proceedings if and to the extent that, in the opinion of the Indemnified Party and
its counsel, such action, suit or proceeding involves the potential imposition of
criminal liability on the Indemnified Party, or there exists a conflict or adversity of
interest between the Indemnified Party and the Indemnifying Party, in such event
the Indemnifying Party shall pay the reasonable expenses of the Indemnified Party,
and (ii) shall not settle or consent to the entry of any judgment in any action, suit
or proceeding without the consent of the Indemnified Party, which shall not be
reasonably withheld, conditioned or delayed.

20.2 Consequential Damages.

In no event shall either Party be liable under any provision of this Agreement for any losses,
damages, costs or expenses for any special, indirect, incidental, consequential, or punitive
damages, including but not limited to loss of profit or revenue, loss of the use of equipment, cost
of capital, cost of temporary equipment or services, whether based in whole or in part in contract,
in tort, including negligence, strict liability, or any other theory of liability.

20.3 Insurance.

Each Party shall, at its own expense, maintain in force throughout the period of this
Agreement, and until released by the other Party, the following minimum insurance
coverage, with insurers authorized to do business in the state where the Point of Interconnection
is located:

20.3.1 Employer’s Liability and Workers’ Compensation Insurance providing
statutory benefits in accordance with the laws and regulations of the state in which
the Point of Interconnection is located.

20.3.2 Commercial General Liability Insurance including premises and operations,
personal injury, broad form property damage, broad form blanket contractual
liability coverage (including coverage for the contractual indemnification) products
and completed operations coverage, coverage for explosion, collapse and
underground hazards, independent contractors coverage, coverage for pollution to
the extent normally available and punitive damages to the extent normally available
and a cross liability endorsement, with minimum limits of One Million Dollars
($1,000,000) per occurrence/One Million Dollars ($1,000,000) aggregate
combined single limit for personal injury, bodily injury, including death and property damage.

20.3.3. Comprehensive Automobile Liability Insurance for cover of owned and non-owned vehicles, trailers, or semi-trailers designed for travel on public roads, with a minimum, combined single limit of One Million Dollars ($1,000,000) per occurrence for bodily injury, including death, and property damage.

20.3.4. Excess Liability Insurance over and above the Employers’ Liability, Commercial General Liability and Comprehensive Automobile General Liability coverage, with a minimum combined single limit of Twenty Million Dollars ($20,000,000) per occurrence/Twenty Million Dollars ($20,000,000) aggregate.

20.3.5. The Commercial General Liability Insurance, Comprehensive Automobile Insurance and Excess Liability Insurance policies shall name the other Party, its parent, associated and Affiliate companies and their respective directors, officers, agents, servants and employees (“Other Party Group”) as additional insured. All policies shall contain provisions whereby insurers waive all rights of subrogation in accordance with the provisions of this LGIA Agreement against the Other Party Group.

20.3.6. The Commercial General Liability Insurance, Comprehensive Automobile Insurance and Excess Liability Insurance policies shall contain provisions that specify that the policies are primary and shall apply to such extent without consideration for other policies separately carried and shall state that each insured is provided coverage as though a separate policy had been issued to each, except that insurer’s liability shall not be increased beyond the amount for which the insurer would have been liable had only one insured been covered. Each Party shall be responsible for its respective deductibles or retentions.

20.3.7. The Commercial General Liability Insurance, Comprehensive Automobile Insurance and Excess Liability Insurance policies, if written on a Claims First Made Basis, shall be maintained in full force and effect for two (2) years after termination of this LGIA Agreement, which coverage may be in the form of tail coverage or extended reporting period coverage if agreed by the Parties.

20.3.8. The requirements contained herein as to the types and limits of all insurance to be maintained by the Parties are not intended to and shall not in any manner, limit or qualify the liabilities and obligations assumed by the Parties under this LGIA Agreement.

20.3.9. Within ten (10) days following execution of this LGIA Agreement, and as soon as practicable after the end of each fiscal year or at the renewal of the insurance policy and in any event within ninety (90) days thereafter, each Party shall provide certification of all insurance required in this LGIA Agreement, executed by each insurer or by an authorized representative of each insurer.

20.3.10. Notwithstanding the foregoing, each Party may self-insure to meet the minimum insurance requirements of Article 20.3.1 through 20.3.8 to the extent it maintains a self-insurance program; provided that, such Party’s senior
secured debt is rated at investment grade or better by Standard & Poor's and that its self-insurance program meets the minimum insurance requirements of Articles 20.3.1 through 20.3.8. For any period of time that a Party's senior secured debt is unrated by Standard & Poor's or is rated at less than investment grade by Standard & Poor's, such Party shall comply with the insurance requirements applicable to it under Articles 20.3.1 through 20.3.9. In the event that a Party is permitted to self-insure pursuant to this Article, it shall notify the other Party that it meets the requirements to self-insure and that its self-insurance program meets the minimum insurance requirements in a manner consistent with that specified in Article 20.3.9.

20.3.11. The Parties agree to report to each other in writing as soon as practical all accidents or occurrences resulting in injuries to any person, including death, and any property damage arising out of this LGIA Agreement.

Article 21. Assignment.

21.1 Assignment. This LGIA Agreement may be assigned by either Party only with the written consent of the other; provided that either Party may assign this LGIA Agreement without the consent of the other Party to any Affiliate of the assigning Party with an equal or greater credit rating and with the legal authority and operational ability to satisfy the obligations of the assigning Party under this LGIA Agreement; and provided further that Interconnection Customer shall have the right to assign this LGIA Agreement, without the consent of Transmission Provider, for collateral security purposes to aid in providing financing for the Large Generating Facility, provided that Interconnection Customer will promptly notify Transmission Provider of any such assignment. Any financing arrangement entered into by Interconnection Customer pursuant to this Article will provide that prior to or upon the exercise of the secured party's trustee's or mortgagee's assignment rights pursuant to said arrangement, the secured creditor, the trustee or mortgagee will notify Transmission Provider of the date and particulars of any such exercise of assignment right(s), including providing the Transmission Provider with proof that it meets the requirements of Articles 13.413.5 and 20.3 of this Agreement. Any attempted assignment that violates this Article is void and ineffective. Any assignment under this LGIA Agreement shall not relieve a Party of its obligations, nor shall a Party's obligations be enlarged, in whole or in part, by reason thereof. Where required, consent to assignment will not be unreasonably withheld, conditioned or delayed.

Article 22. Severability.

22.1 Severability. If any provision in this LGIA Agreement is finally determined to be invalid, void or unenforceable by any court or other Governmental Authority having jurisdiction, such determination shall not invalidate, void or make unenforceable any other provision, agreement or covenant of this LGIA Agreement. If Interconnection Customer (or any third party, but only if such third party is not acting at the direction of Transmission Provider) seeks and obtains such a final determination with respect to any provision of the Alternate Option (Article 5.1.2) or the Negotiated Option (Article 5.1.4) of this Agreement, then none of these provisions shall thereafter have any force or effect and the Parties’ rights and obligations shall be governed solely by the Standard Option (Article 5.1.1) of this Agreement.

Article 23. Comparability.

23.1 Comparability. The Parties will comply with all applicable comparability laws, rules and regulations, as amended from time to time.
Article 24. Confidentiality

The Parties agree to protect Confidential Information and not to release or disclose it, except as allowed by this Agreement.

24.1 Confidentiality. Confidential Information shall include, without limitation, all information relating to a Party’s technology, research and development, business affairs, and pricing, and any information supplied by either of the Parties to the other prior to the execution of this LGIA Agreement. Information is Confidential Information only if it is clearly designated or marked in writing as confidential on the face of the document, or, if the information is conveyed orally or by inspection, if the Party providing the information orally informs the Party receiving the information that the information is confidential.

If requested by either Party, the other Party shall provide in writing, the basis for asserting that the information referred to in this Article 24 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.

24.1.1 Term. During the term of this LGIA Agreement, and for a period of three (3) years after the expiration or termination of this LGIA Agreement, except as otherwise provided in this Article 24, each Party shall hold in confidence and shall not disclose to any person Confidential Information.

24.1.2 Scope. Confidential Information shall not include information that the receiving Party can demonstrate: (1) is generally available to the public other than as a result of a disclosure by the receiving Party; (2) was in the lawful possession of the receiving Party on a non-confidential basis before receiving it from the disclosing Party; (3) was supplied to the receiving Party without restriction by a third party, who, to the knowledge of the receiving Party after due inquiry, was under no obligation to the disclosing Party to keep such information confidential; (4) was independently developed by the receiving Party without reference to Confidential Information of the disclosing Party; (5) is, or becomes, publicly known, through no wrongful act or omission of the receiving Party or Breach of this LGIA Agreement; or (6) is required, in accordance with Article 24.1.7 of this LGIA Agreement, Order of Disclosure, to be disclosed by any Governmental Authority or is otherwise required to be disclosed by law or subpoena, or is necessary in any legal proceeding establishing rights and obligations under this LGIA Agreement.

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.

24.1.3 Release of Confidential Information.

Neither Party shall release or disclose Confidential Information to any other person, except to its Affiliates (limited by the applicable standards of conduct requirements), subcontractors, employees, consultants, or to parties who may be or considering providing financing to or equity participation with Interconnection Customer, or to potential purchasers or assignees of Interconnection Customer, on a need-to-know basis in connection with this LGIA Agreement, unless such person has first been advised of the confidentiality provisions of this Article 24 and
has agreed to comply with such provisions. Notwithstanding the foregoing, a Party providing Confidential Information to any person shall remain primarily responsible for any release of Confidential Information in contravention of this Article 24.

**24.4. Rights.**

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

**24.5. No Warranties.**

**24.1.5 No Warranties.** By providing Confidential Information, neither Party makes any warranties or representations as to its accuracy or completeness. In addition, by supplying Confidential Information, neither Party obligates itself to provide any particular information or Confidential Information to the other Party nor to enter into any further agreements or proceed with any other relationship or joint venture.

**24.6. Standard of Care.**

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

**24.7. Order of Disclosure.**

If (i) a court or a Governmental 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, or (ii) SRP receives a public records request to disclose Confidential Information, that Party shall provide the other Party with prompt notice of such request(s) or requirement(s) so that the other Party may seek an appropriate protective order or waive compliance with the terms of this **LGIA Agreement**. Notwithstanding the absence of a protective order or waiver, the Party may disclose such Confidential Information after providing the other Party notice as required by this **Section 12.1.6 Article 24.7** and an opportunity to seek a protective order. Each Party will use Reasonable Efforts to obtain reliable assurance that confidential treatment will be accorded any Confidential Information so furnished. Interconnection Customer understands that, as a political subdivision of the State of Arizona, Transmission Provider may be subject to certain disclosure requirements under the Arizona public records law (A.R.S. § 39-101, et seq.). Provided that Transmission Provider complies with the procedural requirements of this **Section 12.1.6 Article 24.7**, and notwithstanding any other provision of this Agreement, SRP may release Interconnection Customer’s Confidential Information to a third party in response to a public records request submitted by such party.

**24.8. Termination of Agreement.**

Upon termination of this **LGIA Agreement** for any reason, each Party shall, within ten (10) Calendar Days of receipt of a written request from the other Party, use Reasonable Efforts to destroy, erase, or delete (with such destruction, erasure, and deletion certified in writing to the
other Party) or return to the other Party, without retaining copies thereof, any and all written or electronic Confidential Information received from the other Party.

24.9  Remedies.

24.1.9 Remedies.—The Parties agree that monetary damages would be inadequate to compensate a Party for the other Party’s Breach of its obligations under this Article 24. Each Party accordingly agrees that the other Party shall be entitled to equitable relief, by way of injunction or otherwise, if the first Party Breaches or threatens to Breach its obligations under this Article 24, which equitable relief shall be granted without bond or proof of damages, and the receiving Party shall not plead in defense that there would be an adequate remedy at law. Such remedy shall not be deemed an exclusive remedy for the Breach of this Article 24, but shall be in addition to all other remedies available at law or in equity. The Parties further acknowledge and agree that the covenants contained herein are necessary for the protection of legitimate business interests and are reasonable in scope. No Party, however, shall be liable for indirect, incidental, or consequential or punitive damages of any nature or kind resulting from or arising in connection with this Article 24.

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

Notwithstanding anything in this Article 22 to the contrary, and pursuant to 18 C.F.R. § 1b.20, if FERC or its staff, during the course of an investigation or otherwise, requests information from one of the Parties that is otherwise required to be maintained in confidence pursuant to this LGIA Agreement, the Party shall provide the requested information to FERC or its staff, within the time provided for in the request for information, where required by law or Governmental Authority to do so. In providing the information to FERC or its staff, the Party must, consistent with 18 C.F.R. § 388.112, request that the information be treated as confidential and non-public by FERC and its staff and that the information be withheld from public disclosure. Parties are prohibited from notifying the other Party to this LGIA Agreement prior to the release of the Confidential Information to FERC or its staff. The Party shall notify the other Party to the LGIA Agreement when it is notified by FERC or its staff that a request to release Confidential Information has been received by FERC, at which time either of the Parties may respond before such information would be made public, pursuant to 18 C.F.R. § 388.112. Requests from a state regulatory body conducting a confidential investigation shall be treated in a similar manner if consistent with the applicable state rules and regulations.

24.11  Disclosure.

24.1.11 Any information that a Party claims is Confidential Information under this LGIA Agreement shall not be disclosed by the other Party to any person not employed or retained by the other Party, except to the extent disclosure is (i) required by law; (ii) reasonably deemed by the disclosing Party to be required to be disclosed in connection with a dispute between or among the Parties, or the defense of litigation or dispute; (iii) otherwise permitted by consent of the other Party, such consent not to be unreasonably withheld; or (iv) necessary to fulfill its obligations under this LGIA Agreement or as a transmission service provider or a Balancing Authority Area operator including disclosing the Confidential Information to an RTO or ISO or to a regional or national reliability organization. The Party asserting confidentiality shall notify the other Party in writing of the information it claims is confidential. Prior to any disclosures of the other Party’s Confidential Information under this subparagraph, or if any third party or Governmental Authority makes any request or demand for any of the information described in this subparagraph, the disclosing Party agrees to promptly notify the other Party in writing and agrees to assert
Article 25. Environmental Releases

25.1. Each Party shall notify the other Party, first orally and then in writing, of the release of any Hazardous Substances, any asbestos or lead abatement activities, or any type of remediation activities related to the Large Generating Facility or the Interconnection Facilities, each of which may reasonably be expected to affect the other Party. The notifying Party shall: (i) provide the notice as soon as practicable, provided such Party makes a good faith effort to provide the notice no later than twenty-four hours after such Party becomes aware of the occurrence; and (ii) promptly furnish to the other Party copies of any publicly available reports filed with any Governmental Authorities addressing such events.

Article 26. Information Requirements

26.1. Information Acquisition.

Transmission Provider and Interconnection Customer shall submit specific information regarding the electrical characteristics of their respective facilities to each other as described below and in accordance with Applicable Reliability Standards.


The initial information submission by Transmission Provider shall occur no later than one hundred eighty (180) Calendar Days prior to Trial Operation and shall include Transmission System information necessary to allow Interconnection Customer to select equipment and meet any system protection and stability requirements, unless otherwise agreed to by the Parties. On a monthly basis Transmission Provider shall provide Interconnection Customer a status report on the construction and installation of Transmission Provider's Interconnection Facilities and Network Upgrade(s), including, but not limited to, the following information: (1) progress to date; (2) a description of the activities since the last report; (3) a description of the action items for the next period; and (4) the delivery status of equipment ordered.

26.3. Updated Information Submission by Interconnection Customer.

The updated information submission by Interconnection Customer, including manufacturer information, shall occur no later than one hundred eighty (180) Calendar Days prior to Trial Operation. The updated information submission by Interconnection Customer, including manufacturer information, shall occur no later than one hundred eighty (180) Calendar Days prior to the Trial Operation. Interconnection Customer shall submit a completed copy of the Large Generating Facility data requirements contained in Appendix 1 to the LGIPGIP. It shall also include any additional information provided to Transmission Provider for the Cluster System Impact Study and the Interconnection Facilities Study. Information in this submission shall be the most current Large Generating Facility design or expected performance data. Information submitted for stability models shall be compatible with Transmission Provider standard models. If there is no compatible model, Interconnection Customer will work with a consultant mutually agreed to by the Parties to develop and supply a standard model and associated information.
If Interconnection Customer’s data is materially different from what was originally provided to Transmission Provider pursuant to the Interconnection Study Agreement between Transmission Provider and Interconnection Customer, then Transmission Provider will conduct appropriate studies to determine the impact on Transmission Provider Transmission System based on the actual data submitted pursuant to this Article 26.3. The Interconnection Customer shall not begin Trial Operation until such studies are completed.

26.4 Information Supplementation.

Prior to the Commercial Operation Date, the Parties shall supplement their information submissions described above in this Article 26 with any and all “as-built” Large Generating Facility information or “as-tested” performance information that differs from the initial submissions or, alternatively, written confirmation that no such differences exist. The Interconnection Customer shall conduct tests on the Large Generating Facility as required by Good Utility Practice such as an open circuit “step voltage” test on the Large Generating Facility to verify proper operation of the Large Generating Facility’s automatic voltage regulator.

Unless otherwise agreed, the test conditions shall include: (1) Large Generating Facility at synchronous speed; (2) automatic voltage regulator on and in voltage control mode; and (3) a five percent change in Large Generating Facility terminal voltage initiated by a change in the voltage regulators reference voltage. Interconnection Customer shall provide validated test recordings showing the responses of Large Generating Facility terminal and field voltages. In the event that direct recordings of these voltages is impractical, recordings of other voltages or currents that mirror the response of the Large Generating Facility’s terminal or field voltage are acceptable if information necessary to translate these alternate quantities to actual Large Generating Facility terminal or field voltages is provided. Large Generating Facility testing shall be conducted and results provided to Transmission Provider for each individual generating unit in a station.

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

27.1 Information Access.

Each Party (the “disclosing Party”) shall make available to the other Party information that is in the possession of the disclosing Party and is necessary in order for the other Party to: (i) verify the costs incurred by the disclosing Party for which the other Party is responsible under this LGIA Agreement; and (ii) carry out its obligations and responsibilities under this LGIA Agreement. The Parties shall not use such information for purposes other than those set forth in this Article 27.1 and to enforce their rights under this LGIA Agreement.
27.2. Reporting of Non-Force Majeure Events.

Each Party (the "notifying Party") shall notify the other Party when the notifying Party becomes aware of its inability to comply with the provisions of this LGIA Agreement for a reason other than a Force Majeure event. The Parties agree to cooperate with each other and provide necessary information regarding such inability to comply, including the date, duration, reason for the inability to comply, and corrective actions taken or planned to be taken with respect to such inability to comply. Notwithstanding the foregoing, notification, notification, cooperation or information provided under this Article shall not entitle the Party receiving such notification to allege a cause for anticipatory breach of this LGIA Agreement.

27.3. Audit Rights.

Subject to the requirements of confidentiality under Article 24 of this LGIA Agreement, each Party shall have the right, during normal business hours, and upon prior reasonable notice to the other Party, to audit at its own expense the other Party's accounts and records pertaining to either Party's performance or either Party's satisfaction of obligations under this LGIA Agreement. Such audit rights shall include audits of the other Party's costs, calculation of invoiced amounts, Transmission Provider's efforts to allocate responsibility for the provision of reactive support to the Transmission System, Transmission Provider's efforts to allocate responsibility for interruption or reduction of generation on the Transmission System, and each Party's actions in an Emergency Condition. Any audit authorized by this Article shall be performed at the offices where such accounts and records are maintained and shall be limited to those portions of such accounts and records that relate to each Party's performance and satisfaction of obligations under this LGIA Agreement. Each Party shall keep such accounts and records for a period equivalent to the audit rights periods described in Article 27.4 below.

27.4. Audit Rights Periods.

27.4.1. Audit Rights Period for Construction-Related Accounts and Records.

Accounts and records related to the design, engineering, procurement, and construction of Transmission Provider's Interconnection Facilities and Network Upgrades shall be subject to audit for a period of twenty-four (24) months following Transmission Provider's issuance of a final invoice in accordance with Article 14.2.

27.4.2. Audit Rights Period for All Other Accounts and Records.

Accounts and records related to either Party's performance or satisfaction of all obligations under this LGIA Agreement other than those described in Article 27.4.1 shall be subject to audit as follows: (i) for an audit relating to cost obligations, the applicable audit rights period shall be twenty-four (24) months after the auditing Party's receipt of an invoice giving rise to such cost obligations; and (ii) for an audit relating to all other obligations, the applicable audit rights period shall be twenty-four (24) months after the event for which the audit is sought.
27.5 Audit Results.

If an audit by a Party determines that an exception, such as an overpayment or an underpayment, has occurred, a written notice of such exception shall be given to the other Party together with those records from the audit which support such determination. The other Party’s Authorized Representative shall respond in writing to such notification of any exception within thirty (30) days. Upon resolution of any exception, the owing Party shall directly refund the amount of any exception to the other Party within thirty (30) days Calendar Days.

Article 28. Subcontractors.

28.1 General.

Nothing in this LGIA Agreement shall prevent a Party from utilizing the services of any subcontractor as it deems appropriate to perform its obligations under this LGIA Agreement; provided, however, that each Party shall require its subcontractors to comply with all applicable terms and conditions of this LGIA Agreement in providing such services and each Party shall remain primarily liable to the other Party for the performance of such subcontractor.

28.2 Responsibility of Principal.

The creation of any subcontract relationship shall not relieve the hiring Party of any of its obligations under this LGIA Agreement. The hiring Party shall be fully responsible to the other Party for the acts or omissions of any subcontractor the hiring Party hires as if no subcontract had been made; provided, however, that in no event shall Transmission Provider be liable for the actions or inactions of Interconnection Customer or its subcontractors with respect to obligations of Interconnection Customer under Article 5 of this LGIA Agreement. Any applicable obligation imposed by this LGIA Agreement upon the hiring Party shall be equally binding upon, and shall be construed as having application to, any subcontractor of such Party.

28.3 No Limitation by Insurance.

The obligations under this Article 28 will not be limited in any way by any limitation of subcontractor's insurance.

Article 29. Disputes.

29.1 Submission.

In the event either Party has a dispute, or asserts a claim, that arises out of or in connection with this LGIA Agreement or its performance, such Party (the "disputing Party") shall provide the other Party with written notice of the dispute or claim ("Notice of Dispute"). Such dispute or claim shall be referred to a designated senior representative of each Party for resolution on an informal basis as promptly as practicable after receipt of the Notice of Dispute by the other 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 Agreement.
**29.2 External Arbitration Procedures.**

Any arbitration initiated under this LGIA Agreement shall be conducted before a single neutral arbitrator appointed by the Parties. If the Parties fail to agree upon a single arbitrator within ten (10) Calendar Days of the submission of the dispute to arbitration, each Party shall choose one arbitrator who shall sit on a three-member arbitration panel. The two arbitrators so chosen shall within twenty (20) Calendar Days select a third arbitrator to chair the arbitration panel. In either case, the arbitrators shall be knowledgeable in electric utility matters, including electric transmission and bulk power issues, and shall not have any current or past substantial business or financial relationships with any party to the arbitration (except prior arbitration). The arbitrator(s) shall provide each of the Parties an opportunity to be heard and, except as otherwise provided herein, shall conduct the arbitration in accordance with the Commercial Arbitration Rules of the American Arbitration Association ("Arbitration Rules") and any applicable FERC regulations or RTO rules; provided, however, in the event of a conflict between the Arbitration Rules and the terms of this Article 29, the terms of this Article 29 shall prevail.

**29.3 Arbitration Decisions.**

Unless otherwise agreed by the Parties, the arbitrator(s) shall render a decision within ninety (90) Calendar Days of appointment and shall notify the Parties in writing of such decision and the reasons therefor. The arbitrator(s) shall be authorized only to interpret and apply the provisions of the Tariff and any Service Agreement entered into under the Tariff and shall have no power to modify or change any of the above in any manner. Judgment on the arbitrator's decision may be entered in any court having jurisdiction. The Parties shall agree upon a standard of review for arbitrator's decision at the time the dispute is submitted to arbitration. The decision of the arbitrator must also be submitted to SRP’s Board of Directors for a final decision if it affects, rates, terms or conditions of service or facilities.

**29.4 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 arbitration panel and one half of the cost of the third arbitrator chosen; or (2) one half the cost of the single arbitrator jointly chosen by the Parties.

**Article 30. Representations, Warranties, and Covenants.**

**30.1 General.**

Each Party makes the following representations, warranties and covenants:

**30.1.1 Good Standing.**

Such Party is duly organized, validly existing and in good standing under the laws of the state in which it is organized, formed, or incorporated, as applicable; that it is qualified to do business in the state or states in which the Large Generating Facility, Interconnection Facilities and Network Upgrade(s) owned by such Party, as applicable, are located; and that it has the corporate power and authority to own its properties, to carry on its business as now being conducted and to enter into this LGIA Agreement and carry out the transactions contemplated
hereby and perform and carry out all covenants and obligations on its part to be performed under and pursuant to this LGIA Agreement.

30.1.2. Authority.

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

30.1.3. No Conflict.

The execution, delivery and performance of this LGIA Agreement does not violate or conflict with the organizational or formation documents, or bylaws or operating agreement, of such Party, or any judgment, license, permit, order, material agreement or instrument applicable to or binding upon such Party or any of its assets.

30.1.4. Consent and Approval.

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

Article 31. Joint Operating Committee.


Transmission Provider shall constitute a Joint Operating Committee to coordinate operating and technical considerations of Interconnection Service. At least six (6) months prior to the expected Initial Synchronization Date, Interconnection Customer and Transmission Provider shall each appoint one representative and one alternate to the Joint Operating Committee. Each Interconnection Customer shall notify Transmission Provider of its appointment in writing. Such appointments may be changed at any time by similar notice. The Joint Operating Committee shall meet as necessary, but not less than once each calendar year, to carry out the duties set forth herein. The Joint Operating Committee shall hold a meeting at the request of either Party, at a time and place agreed upon by the representatives. The Joint Operating Committee shall perform all of its duties consistent with the provisions of this LGIA Agreement. Each Party shall cooperate in providing to the Joint Operating Committee all information required in the performance of the Joint Operating Committee's duties. All decisions and agreements, if any, made by the Joint Operating Committee, shall be evidenced in writing. The duties of the Joint Operating Committee shall include the following:
31.1.1. Establish data requirements and operating record requirements.

31.1.2. Review the requirements, standards, and procedures for data acquisition equipment, protective equipment, and any other equipment or software.

31.1.3. Annually review the one (1) year forecast of maintenance and planned outage schedules of Transmission Provider's and Interconnection Customer's facilities at the Point of Interconnection.

31.1.4. Coordinate the scheduling of maintenance and planned outages on the Interconnection Facilities, the Large Generating Facility and other facilities that impact the normal operation of the interconnection of the Large Generating Facility to the Transmission System.

31.1.5. Ensure that information is being provided by each Party regarding equipment availability.

31.1.6. Perform such other duties as may be conferred upon it by mutual agreement of the Parties.

Article 32. Miscellaneous.

32.1 Binding Effect.

This LGIA Agreement and the rights and obligations hereof, shall be binding upon and shall inure to the benefit of the successors and permitted assigns of the Parties hereto.

32.2 Conflicts.

In the event of a conflict between the body of this LGIA Agreement and any attachment, appendices or exhibits hereto, the terms and provisions of the body of this LGIA Agreement shall prevail and be deemed the final intent of the Parties.

32.3 Rules of Interpretation.

This LGIA Agreement, unless a clear contrary intention appears, shall be construed and interpreted as follows: (1) the singular number includes the plural number and vice versa; (2) reference to any person includes such person's successors and assigns but, in the case of a Party, only if such successors and assigns are permitted by this LGIA Agreement, and reference to a person in a particular capacity excludes such person in any other capacity or individually; (3) reference to any agreement (including this LGIA Agreement), document, instrument or tariff means such agreement, document, instrument, or tariff as amended or modified and in effect from time to time in accordance with the terms thereof and, if applicable, the terms hereof; (4) reference to any Applicable Laws and Regulations or Applicable Reliability Standards means such Applicable Laws and Regulations or Applicable Reliability Standards as amended, modified, codified, or reenacted, in whole or in part, and in effect from time to time, including, if applicable, rules and regulations promulgated thereunder; (5) unless expressly stated otherwise, reference to any Article, Section or Appendix means such Article of this LGIA Agreement or such Section or Appendix to this LGIA Agreement, or such Section to the LGIPGIP or such Appendix to the LGIPGIP, as the case
may be; (6) “hereunder”, “hereof”, “herein”, “hereto” and words of similar import shall be deemed references to this LGIA Agreement as a whole and not to any particular Article or other provision hereof or thereof; (7) “including” (and with correlative meaning “include”) means including without limiting the generality of any description preceding such term; and (8) relative to the determination of any period of time, “from” means “from and including”, “to” means “to but excluding” and “through” means “through and including”.

32.4 Entire Agreement.

This LGIA Agreement, together with the EPC Agreement, including all Appendices and Schedules attached to those agreements, constitutes the entire agreement between the Parties with reference to the subject matter hereof, and supersedes all prior and contemporaneous understandings or agreements, oral or written, between the Parties with respect to the subject matter of this LGIA Agreement. There are no other agreements, representations, warranties, or covenants which constitute any part of the consideration for, or any condition to, either Party's compliance with its obligations under this LGIA Agreement.

32.5 No Third Party Beneficiaries.

This LGIA Agreement is not intended to and does not create rights, remedies, or benefits of any character whatsoever in favor of any persons, corporations, associations, or entities other than the Parties, and the obligations herein assumed are solely for the use and benefit of the Parties, their successors in interest and, where permitted, their assigns.

32.6 Waiver.

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

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

32.7 Headings.

The descriptive headings of the various Articles of this LGIA Agreement have been inserted for convenience of reference only and are of no significance in the interpretation or construction of this LGIA Agreement.

32.8 Amendment.

32.8 Multiple Counterparts. This LGIA may be executed in two or more counterparts, each of which is deemed an original but all constitute one and the same instrument.

32.9 Amendment. The Parties may by mutual agreement amend this LGIA Agreement by a written instrument duly executed by the Parties.
32.9. **Modification by the Parties.**

32.10 **Modification by the Parties.**—The Parties may by mutual agreement amend the Appendices to this *LGIA Agreement* by a written instrument duly executed by the Parties. Such amendment shall become effective and a part of this *LGIA Agreement* upon satisfaction of all Applicable Laws and Regulations.

32.11 **Reservation of Rights.**

Transmission Provider shall have the right to modify this *LGIA Agreement* with respect to any rates, terms and conditions, charges, classifications of service, rule or regulation, upon approval of its Board of Directors.

32.12 **No Partnership.**

32.13 **Electronic Signatures.**—Each party agrees that electronic signatures, whether digital or encrypted, of the parties included in this Amendment are intended to authenticate this writing and to have the same force and effect as manual signatures. Electronic signature means any electronic symbol or process attached to or logically associated with a record and executed and adopted by a party with the intent to sign such record, including, without limitation, facsimile or e-mail electronic signatures.

This Agreement may be executed in any number of counterparts, including facsimile and electronic formats (including portable document format (.pdf) and with the use of an electronic or digital signature, each of which shall be deemed an original and all of which, when taken together, shall constitute one and the same instrument. Any signature page of this Agreement may be detached from any counterpart of this Agreement without impairing the legal effect of any signatures thereon.

**IN WITNESS WHEREOF,** the Parties have executed this *LGIA Agreement* in duplicate originals, each of which shall constitute and be an original effective Agreement between the Parties.

[Insert name of Transmission Provider]

By: ____________________________ By: ____________________________

Title: ____________________________ Title: ____________________________
Date: ___________________________  Date: ___________________________

[Insert name of Interconnection Customer]

By: _____________________________

Title: ____________________________

Date: ____________________________

Appendices to LGIA
Appendix A

Interconnection Facilities, Network Upgrade(s) and Distribution Upgrade(s)

Appendix B  Milestones
Appendix C  Interconnection Details
Appendix D  Security Arrangements Details
Appendix E  Commercial Operation Date
Appendix F  Addresses for Delivery of Notices and Billings
Appendix G  Interconnection Requirements for a Wind Generating Plant
Appendix H  Common Facilities Use Fee
Appendix I  Cost Responsibility Ratio (CRR)
Appendix J  Third Party Interconnection Reimbursement Methodology
1. Interconnection Facilities:
   (a) [insert Interconnection Customer's Interconnection Facilities]:
   (b) [insert Transmission Provider's Interconnection Facilities]:

2. Network Upgrades Upgrade(s):

3. Distribution Upgrades Upgrade(s):
Appendix C

Interconnection Details

[Interconnection Requirements to Be Developed And Provided By Transmission Provider]

Requested Capacity In-service (MW)

At the end of the Seven Year Queue Limit, the amount of capacity actually in service is [ MW] and shall be the maximum interconnection service allowed. Appendix D to LGIA
Appendix D

Security Arrangements Details

Infrastructure security of Transmission System equipment and operations and control hardware and software is essential to ensure day-to-day Transmission System reliability and operational security. All Interconnection Customers interconnected to the Transmission System shall comply with Applicable Reliability Standards. SRP meets, and expects its Interconnection Customers to meet, standards for system infrastructure and operational security, including physical, operational, and cyber-security practices.
Appendix E to LGIA

Appendix E

Commercial Operation Date

This Appendix E is a part of the LGIA between Transmission Provider and Interconnection Customer.

[Date]

[Transmission Provider Address]

Re: _______________ Large ___ Generating Facility

Dear ________________:

On [Date] [Interconnection Customer] has completed Trial Operation of Unit No. _____. This letter confirms that [Interconnection Customer] has achieved the Commercial Operation Date of Unit No. _______ at the Large-Generating Facility, effective as of [Date plus one day]. The Capacity In-Service is ____ MW ____ MW.

Thank you.

[Signature]

[Interconnection Customer Representative]
Appendix F to LGIA

Appendix F

Addresses for Delivery of Notices and Billings

Notices:

Transmission Provider:

Salt River Project
Attn: Director, Transmission Planning Strategy & Development
Mail Station POB100
P.O. Box 52025
Phoenix, AZ 85072-2025

Interconnection Customer:

[To be supplied.]

Billings and Payments:

Transmission Provider:

Salt River Project
Attn: Director, Transmission Planning Strategy & Development
Mail Station POB100
P.O. Box 52025
Phoenix, AZ 85072-2025

[To be supplied.]

Interconnection Customer:

[To be supplied.]

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

Transmission Provider:

Salt River Project
Attn: Manager, Transmission Participation & Interconnection Projects
Mail Station POB100

Delivering water and power®
Interconnection Customer:

[To be supplied.]
Appendix G to LGIA

Interconnection Requirements for a Wind Generating Plant

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

A. Technical Standards Applicable to a Wind Generating Plant

i. Low Voltage Ride-Through (LVRT) Capability

A wind generating plant shall be able to remain online during voltage disturbances up to the time periods and associated voltage levels set forth in the standard in Figure 1, below, if the Transmission Provider's Interconnection System Impact Study shows that low voltage ride-through capability is required to ensure safety or reliability.

The standard applies to voltage measured at the Point of Interconnection as defined in this LGIA Agreement. The figure shows the ratio of actual to nominal voltage (on the vertical axis) over time (on the horizontal axis). Before time 0.0, the voltage at the transformer is the nominal voltage.

At time 0.0, the voltage drops. If the voltage remains at a level greater than 15 percent of the nominal voltage for a period that does not exceed 0.625 seconds, the plant must stay online. Further, if the voltage returns to 90 percent of the nominal voltage within 3 seconds of the beginning of the voltage drop (with the voltage at any given time never falling below the minimum voltage indicated by the solid line in Figure 1), the plant must stay online. The Interconnection Customer may not disable low voltage ride-through equipment while the wind plant is in operation. Two key features of this regulation are:

1. A wind generating plant must have low voltage ride-through capability down to 15 percent of the rated line voltage for 0.625 seconds;
2. A wind generating plant must be able to operate continuously at 90 percent of the rated line voltage, measured at the high voltage side of the wind plant substation transformer(s).
Figure 1  Proposed low voltage ride-through standard
ii. **Power Factor Design Criteria (Reactive Power)**

A wind generating plant shall maintain a power factor within the range of 0.95 leading to 0.95 lagging, measured at the Point of Interconnection as defined in this LGIAGIA, unless the Transmission Provider’s Interconnection System Impact Study shows that such a requirement is unnecessary to ensure safety or reliability. The power factor range standard can be met by using, for example, power electronics designed to supply this level of reactive capability (taking into account any limitations due to voltage level, real power output, etc.) or fixed and switched capacitors if agreed to by the Transmission Provider, or a combination of the two. The Interconnection Customer shall not disable power factor equipment while the wind plant is in operation. Wind plants shall also be able to provide sufficient dynamic voltage support in lieu of the power system stabilizer and automatic voltage regulation at the generator excitation system unless the Interconnection System Impact Study shows this not to be required for system safety or reliability.

iii. **Supervisory Control and Data Acquisition (SCADA) Capability**

The wind plant shall provide SCADA capability to transmit data and receive instructions from the Transmission Provider to protect system reliability. The Transmission Provider and the wind plant Interconnection Customer shall determine what SCADA information is essential for the proposed wind plant, taking into account the size of the plant and its characteristics, location, and importance in maintaining generation resource adequacy and transmission system reliability in its area.
Appendix H-1

Common Facilities
Appendix H-2

Common Facilities Use Fee

This Appendix provides the methodology for calculation of a one-time payment to be made by Interconnection Customer for use of Common Facilities.

The one-time payment by Interconnection Customer is calculated as follows:

\[ P = OIC \times CRR \]

Where:

- **P** = Payment by Interconnection Customer for use of Common Facilities
- **OIC** = Original Installed Costs of Common Facilities prior to Interconnection Customer’s interconnection, as shown on Appendix J
- **CRR** = Interconnection Customer’s Cost Responsibility Ratio as calculated pursuant to Appendix I
Appendix I

Cost Responsibility Ratio (CRR)

This Appendix I sets forth the computation of the Interconnection Customer’s Cost Responsibility Ratio (CRR) for expenses relating to operations, maintenance, capital improvements and insurances, associated with the Transmission Provider’s Interconnection Facilities, and SRP substations Common Facilities pursuant to Section Article 12.5 of this Agreement.

\[
\text{CRR} = \frac{A}{A+B+C}
\]

- **A** = Connections used by Interconnection Customer (IC)
- **B** = Connections used by SRP
- **C** = Connections used by others
- **X** = Excluded Connections - Connections created for the sole purpose of facilitating a dedicated substation connection to SRP’s system.

| Connections at SRP Substation - Hypothetical calculation for illustration only |
|------------------|-----------------|-----------------|
| Name of Connection | SRP | Interconnection Customer (IC) | Other Interconnectors |
| SRP Hypothetical Line 1 | 1 | | |
| SRP Hypothetical Line 1 | 1 | | |
| IC Hypothetical Line | | 1 | |
| Other interconnector Line | | | 1 |
| Excluded Connections | 2 | | |

\[
\text{CRR} = \frac{1}{1+2+1} = 25\%
\]

Note:

1. The CRR shall be applied to the one-time Common Facilities payment pursuant to Appendix H-2.
(2) The CRR also shall be applied to all other costs and expenses that are allocable to Interconnection Customer under this Agreement.
Appendix J

Third Party Interconnection Reimbursement Methodology

This Appendix sets forth the responsibilities for future interconnectors (Third Parties) to the SRP switchyard to reimburse Interconnection Customer for Interconnection Customer’s initial capital cost expenses for Common Facilities pursuant to Article 1 of this Agreement.

**Key to Tables 1 - 3 in examples below:**

| A = Connections used by Interconnection Customer (Inter. Cust.) |
| B = Connections used by SRP |
| C = Connections used by Third Parties |

1. Table #1 details (illustrative) currently configured cost responsibilities:

<table>
<thead>
<tr>
<th>Table #1 – Current Interconnection Configuration</th>
<th>O&amp;M-Cost Responsibility</th>
<th>Capital Reimbursement to Inter. Cust.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Inter. Cust. (Del) A = (A + B + C)</td>
<td>(Del) 1 = (1 + 0 + 0)</td>
<td>(Del)1 = (1)</td>
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<tr>
<td>SRP (Del) B = (A + B + C)</td>
<td>(Del) 0 = (1 + 0 + 0)</td>
<td>(Del)1 = (1)</td>
</tr>
<tr>
<td>Third Party (Del) C = (A + B + C)</td>
<td>(Del) 0 = (1 + 0 + 0)</td>
<td>(Del)1 = (1)</td>
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2. Table #2 illustrates cost responsibilities assuming a single future third-party interconnector along with the interconnectors of Table #1:

<table>
<thead>
<tr>
<th>Table #2 – Potential Third Party Interconnection: for illustration only</th>
<th>O&amp;M-Cost Responsibility</th>
<th>Capital Reimbursement to Inter. Cust.</th>
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<tbody>
<tr>
<td>Inter. (Del) A = (A + B + C)</td>
<td>(Del) 1 = (1 + 0 + 1)</td>
<td>(Del)1 = (2)</td>
</tr>
</tbody>
</table>

SRP Standard GIA
Effective: November 7, 2023
### Table #1 – Current Interconnection Configuration

<table>
<thead>
<tr>
<th>Cust.</th>
<th>O&amp;M Cost Responsibility</th>
<th>Capital Reimbursement to Inter. Cust.</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>SRP</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(Del) ( \frac{B}{(A + B + C)} )</td>
<td>( \frac{1}{(1 + 0 + 1)} )</td>
<td>( \frac{1}{(2)} )</td>
</tr>
<tr>
<td>(Del) ( \frac{0}{(1 + 0 + 1)} )</td>
<td>(Del) ( \frac{1}{(2)} )</td>
<td>(Del)</td>
</tr>
<tr>
<td><strong>Third Party</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(Del) ( \frac{C}{(A + B + C)} )</td>
<td>(Del) ( \frac{1}{(1 + 0 + 1)} )</td>
<td>(Del) ( \frac{1}{(2)} )</td>
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</tbody>
</table>

### Table #2 - Potential Third Party Interconnection: for illustration only

<table>
<thead>
<tr>
<th>Cust.</th>
<th>O&amp;M Cost Responsibility</th>
<th>Capital Reimbursement to Inter. Cust.</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Inter. Cust.</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>( \frac{A}{(A + B + C)} )</td>
<td>( \frac{1}{(1 + 0 + 1)} )</td>
<td>( \frac{1}{(2)} )</td>
</tr>
<tr>
<td><strong>SRP</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>( \frac{B}{(A + B + C)} )</td>
<td>( \frac{1}{(1 + 0 + 1)} )</td>
<td>( \frac{1}{(2)} )</td>
</tr>
<tr>
<td><strong>Third Party</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>( \frac{A}{(A + B + C)} )</td>
<td>( \frac{1}{(1 + 0 + 1)} )</td>
<td>( \frac{1}{(2)} )</td>
</tr>
</tbody>
</table>

2. Table #2 illustrates cost responsibilities assuming a single future third party interconnector along with the interconnectors of Table #1:
Table #3 illustrates cost responsibilities assuming a second future third party interconnector along with the interconnectors of Table #2:

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<td>SRP</td>
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<tr>
<td>#1 Third Party</td>
<td></td>
<td></td>
</tr>
<tr>
<td>#2 Third Party</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### Table #3 - Potential Third Party Interconnection: for illustration only

<table>
<thead>
<tr>
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</tr>
</thead>
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</tr>
<tr>
<td>#1 Third Party</td>
<td></td>
<td></td>
</tr>
<tr>
<td>#2 Third Party</td>
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HIGH VOLTAGE SWITCHYARD
STANDARD GENERATOR
INTERCONNECTION AGREEMENT (GIA)
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STANDARD GENERATOR INTERCONNECTION AGREEMENT

This Generator Interconnection Agreement (Agreement) is made and entered into this , by and between  (Name of Interconnection Customer) organized and existing under the laws of the State/Commonwealth of  (Type of Organization), and the owners of the Arizona Nuclear Power Plant High Voltage Switchyard (JPP), a jointly owned transmission facility located in the State of Arizona. The owners include Arizona Public Service Company (APS), an Arizona corporation; the City of Los Angeles by and through the Department of Water and Power (LAWDWP), a department organized and existing by virtue of and under the Charter of the City of Los Angeles, a municipal corporation of the State of California; El Paso Electric Company (EPE), a Texas corporation; Public Service Company of New Mexico (PNM), a New Mexico corporation; Southern California Edison (SCE), a California corporation; Salt River Project Agricultural Improvement and Power District (SRP), an agricultural improvement district organized and existing under the laws of the State of Arizona; and Southern California Public Power Authority (SCPPA), a public entity organized and existing under and by virtue of the laws of the State of California (collectively, the “Joint Participants”). Interconnection Customer and the Joint Participants each may be referred to as a “Party” or collectively as the “Parties.”

Recitals

WHEREAS, the Joint Participants are parties to the ANPP High Voltage Switchyard Participation Agreement (Participation Agreement) dated August 20, 1981, as amended from time to time, to establish the terms and conditions relating to their interest in and their ownership of the JPP;

WHEREAS, Interconnection Customer intends to own, lease and/or control and operate the Generating Facility identified as a Generating Facility in Appendix C to this Agreement;

WHEREAS, Interconnection Customer and the Joint Participants have agreed to enter into this Agreement for the purpose of interconnecting the Generating Facility with the JPP;

NOW, THEREFORE, in consideration of and subject to the mutual covenants contained herein, it is agreed:

When used in this Generator Interconnection Agreement terms with initial capitalization that are not defined in Article 1 shall have the meanings specified in the Article in which they are used or in SRP’s Generator Interconnection Procedures. Where meanings conflict, those set forth herein shall prevail.

Article 1. Definitions.

Administrative Committee shall mean the ANPP High Voltage Switchyard Administrative Committee as established in the ANPP Switchyard Participant Agreement.

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 JPP 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 JPP in accordance with Good Utility Practice.

**ANPP Switchyard** shall mean the ANPP High Voltage Switchyard at the Palo Verde Generating Station near Wintersburg, Arizona, which is collectively comprised of the Palo Verde Switchyard and the Hassayampa Switchyard.

**ANPP Switchyard Participation Agreement** shall mean the ANPP High Voltage Switchyard Participation Agreement effective as of August 20, 1981, as amended or supplemented from time to time.

**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 Standards** shall mean the North American Electric Reliability Corporation (NERC) mandatory reliability standards, the Western Electric Coordinating Council (WECC) regional criteria and the Balancing Authority procedures and requirements.

**Arizona Nuclear Power Project (ANPP)** shall mean the three nuclear steam generating units, together with all facilities and structures used of, to be used therewith or related to, as described in Appendix A to the ANPP Participation Agreement, as amended or supplemented from time to time. ANPP is also sometimes referred to as the Palo Verde Generating Station or “PVGS.”

**Balancing Authority** shall mean, as such definition may be amended from time to time by NERC, the responsible entity that integrates resource plans ahead of time, maintains load-interchange-generation balancing within a Balancing Authority Area, and supports interconnection frequency in real time.

**Balancing Authority Area** shall mean the collection of generation, transmission and loads within the metered boundaries of the Balancing Authority. The Balancing Authority maintains load resource balance within this area as such definition may be amended from time to time by NERC.

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

**Breach** shall mean the failure of a Party to perform or observe any material term or condition of this Agreement.
**Breaching Party** shall mean a Party that is in Breach of this Agreement.

**Business Day** shall mean Monday through Friday, excluding federal holidays.

**Calendar Day** shall mean any day including Saturday, Sunday or a federal holiday.

**Capital Improvements** shall mean any unit of property added to the JPP including the JPP Interconnection Facilities, the enlargement or betterment of any unit of property constituting a part of the JPP including the JPP Interconnection Facilities, and the replacement of any unit of property constituting a part of the JPP including the JPP Interconnection Facilities, irrespective of whether such replacement constitutes an enlargement or betterment of that which it replaces; which such additions, betterments and replacement in accordance with standard accounting practices used by the JPP would be capitalized.

**Cluster** shall mean a group of one or more Interconnection Requests that are studied together for the purpose of conducting the Cluster System Impact Study and Network Upgrade(s) Facilities Study.

**Cluster System Impact Study** 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 within the Cluster Request Window were interconnected without project modifications or system modifications, focusing on the Adverse System Impacts, or to study potential impacts, including but not limited to those identified in the Scoping Meeting as described in the GIP.

**Cluster System Impact Study Agreement** shall mean the form of agreement contained in Appendix 3.1 of the GIP for conducting the Cluster System Impact Study.

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

**Commercial Operation Date** (COD) shall mean the date on which the Generating Facility commences Commercial Operation as agreed to by the Parties pursuant to Appendix E to this Agreement.

**Common Bus** shall mean the ANPP Switchyard, and the string bus facilities connecting the Palo Verde Switchyard and the Hassayampa Switchyard that collectively make up the ANPP Switchyard, and any Capital Improvements thereto.

**Common Bus Arrangement** shall mean the delivery, sale, purchase, receipt and/or exchange of power and energy at any point within the Common Bus without a transmission charge, transmission credit, reservation, or schedule for transactions or any portions thereof conducted within the Common Bus.

**Common Facilities** shall mean those certain facilities of the JPP described in Appendix H-1 to this Agreement.

**Common Facilities Use Fee** shall mean the one-time payment by Interconnection Customer for the non-exclusive use and benefit of the JPP Common Facilities, as described in Article 12.5 of this Agreement and detailed in Appendix H-2 to this 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.

Connections shall mean each termination in the [Insert Name of Substation/Switchyard], as shown in Figure 1 of Appendix A, as such figure may be revised by the Operating Agent from time to time in accordance with this Agreement to accurately reflect the then-current terminations in the [Insert Name of Substation/Switchyard].

Cost Responsibility Ratio (CRR) is the ratio of responsibility for costs allocated to the Interconnection Customer and detailed in Appendix I to this Agreement.

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

Critical Energy Infrastructure Information shall mean specific engineering, vulnerability, or detailed design information about proposed or existing critical infrastructure that: (a) relates details about the production, generation, transportation, transmission, or distribution of energy; (b) could be useful to a person in planning an attack on critical infrastructure; (c) is exempt from mandatory disclosure under the Freedom of Information Act, 5 U.S.C. § 552; and (d) does not simply give the general location of the critical infrastructure.

Default shall mean the failure of a Breaching Party to cure its Breach in accordance with Article 19 of this Agreement.

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

Distribution System shall mean any Joint Participant’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 Upgrade(s) shall mean the additions, modifications, and upgrades to any Joint Participant’s Distribution System at or beyond the Point of Interconnection to facilitate interconnection of the Generating Facility. Distribution Upgrade(s) do not include Interconnection Facilities.

Effective Date shall mean the date on which this Agreement becomes effective upon execution by the Parties subject to acceptance by FERC, if applicable.

Electric Storage Resource shall mean a resource capable of receiving electric energy from the grid or onsite generation, and storing it for later injection of electric energy back to the grid.
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 Joint Participant or Operating Agent, is imminently likely (as determined in a non-discriminatory manner) to cause a material adverse effect on the security of, or damage to a Joint Participant’s Transmission System, the JPP Interconnection Facilities or the electric systems of others to which the JPP 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 this Agreement to possess black start capability.

Engineering & Operating Committee (E&O Committee) shall mean the committee established pursuant to the Participation Agreement.

Engineering Procurement, and Construction Agreement (EPC Agreement) shall mean an agreement that authorizes Operating Agent to begin engineering and procurement of long lead-time items necessary for the establishment of the interconnection in order to advance the implementation of the Interconnection Request.

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

Existing Generating Facility shall mean a Generating Facility that is currently in-service or a Generating Facility with an unsuspended Generation Interconnection Agreement.


FERC shall mean the Federal Energy Regulatory 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.

Funding Agreement shall mean the Funding Agreement for the Development of a Satellite Switchyard to the ANPP High Voltage Switchyard Between Participating Interconnectors and Salt River Project Agricultural Improvement and Power District, effective as of May 26, 2000, together with the First Addendum to the Funding Agreement, dated as of January 16, 2001, and as further amended or supplemented from time to time.

Generating Facility shall mean Interconnection Customer’s generating facility as described in Appendix C to this Agreement 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 at the Point of Interconnection where it includes multiple energy production devices.
**Generating Facility Modification** shall mean modification to the Existing Generating Facility, including comparable replacement of only a portion of the equipment at the Existing Generating Facility.

**Generation Interconnection Procedures (GIP)** shall mean SRP’s Standard Generator Interconnection Procedures.

**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, including those practices as required by the Federal Power Act section 215(a)(4).

**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 a Party, its respective facilities, or the respective services it provides, 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, Joint Participants, Operating Agent, or any Affiliate thereof.

**Hassayampa Cost Responsibility Ratio ("Hassayampa CRR")** shall mean the ratio of responsibility for costs allocated to the Hassayampa Switchyard as determined by the Operating Agent from time to time pursuant to Article 12.5 herein, and in accordance with Appendix I-1 to this Agreement.

**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 JPP Interconnection Facilities will be energized and back feed power will be available to the Interconnection Customer.

**Interconnection Customer** shall mean any entity, including any Joint Participant or any of the Affiliates or subsidiaries thereof, or representative of an Existing Generating Facility, that proposes to interconnect its Generating Facility or Replacement Generating Facility with the JPP.

**Interconnection Customer’s Interconnection Facilities** shall mean all facilities and equipment, as identified in Appendix A to this 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 JPP. Interconnection Customer’s Interconnection Facilities are sole use facilities.

**Interconnection Facilities** shall mean the JPP Interconnection Facilities and the Interconnection Customer’s Interconnection Facilities. Collectively, Interconnection Facilities include all facilities, including any modification, additions, or upgrades that are necessary to physically and electrically interconnect the Generating Facility to the JPP. Interconnection Facilities are sole use facilities and shall not include Distribution Upgrade(s), Stand Alone Network Upgrade(s), or Network Upgrade(s).

**Interconnection Facilities Study(ies)** shall mean the Point of Interconnection Facilities Study and the Network Upgrade(s) Facilities Study.

**Interconnection Request** shall mean an Interconnection Customer’s request, in the form of Appendix 1 to the GIP, 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 JPP.

**Interconnection Service** shall mean the service provided by the JPP associated with interconnecting the Interconnection Customer’s Generating Facility to the JPP and enabling the JPP to receive electric energy and capacity from the Generating Facility at the Point of Interconnection, pursuant to the terms of this Agreement. Interconnection Service does not convey transmission service.

**Interconnection Study** shall mean any of the following studies: the Cluster System Impact Study, the Network Upgrade(s) Facilities Study, the Point of Interconnection Facilities Study, the Transitional Facilities Study, the Transitional System Impact Study, the Replacement Impact Study, the Reliability Assessment Study and the Generator Replacement Interconnection Facilities Study, described in the GIP.

**Inverter-Based Resource** shall mean any technology that requires an inverter to convert direct current (DC) electricity into alternating current (AC) electricity and is directly connected to the bulk power system. An Inverter-Based Resource may be a Generating Facility and/or Electric Storage Resource.

**IRS** shall mean the Internal Revenue Service.

**Joint Operating Committee** shall be a group made up of representatives from Interconnection Customer and the Joint Participants to coordinate operating and technical considerations of Interconnection Service.

**Joint Participation Project** (JPP) shall mean the PV Switchyard and the Hassayampa Switchyard.

**Joint Participant Project Interconnection Facilities** (JPP Interconnection Facilities) shall mean all facilities and equipment owned, controlled, or operated by the Joint Participants from the (Insert Name of Substation/Switchyard) side of the Point of Change of Ownership to the Point of Interconnection as identified in Appendix A to this Agreement, including any modifications, additions or upgrades to such facilities and equipment. JPP Interconnection
Facilities are sole use facilities and shall not include Distribution Upgrade(s), Stand Alone Network Upgrade(s) or Network Upgrade(s).

**Joint Participant(s)** shall mean any one or more of APS, EPE, LADWP, PNM, SRP, SCPPA, and SCE, and their respective successors.

**JPP Land** shall mean the land on which the Hassayampa Switchyard is located. Such land shall be described as follows: The Northeast Quarter of Section 15 AND the West Half of the Northwest Quarter of Section 14, Township One South, Range 6 West of the Gila and Salt River Base and Meridian, Maricopa County, Arizona. Except the North 40 feet thereof.

**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 this Agreement on behalf of the indemnifying Party, except in cases of gross negligence or intentional wrongdoing by the indemnifying Party.

**Material Modification** shall mean: (1) modification to an Interconnection Request in the Queue that has a material impact on the cost or timing of any Interconnection Request with a later or equal Queue Position; or (2) a planned modification to an Existing Generating Facility that is undergoing evaluation for a Generating Facility Modification or Generation Replacement, and that has a material impact on the Transmission System, as compared to the impacts of the Existing Generating Facility prior to the modification or replacement. The evaluation may consist of various analyses, including but not limited to, power flow, transient and post-transient stability, power factor, and a short circuit analysis.

**Maximum Capacity** shall mean the maximum megawatt capacity that the Generating Facility will generate at the Point of Interconnection as verified by the Operating Agent.

**Metering Equipment** shall mean all metering equipment installed or to be installed at or near the Generating Facility pursuant to this 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.

**Mitigation Facility Fee** shall mean the fee to be paid by the Interconnection Customer as determined by the Operating Agent in accordance with Appendix K to this Agreement.

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

**Network Upgrade(s)** shall mean the additions, modifications, and upgrades to the JPP required at or beyond the point at which the Interconnection Facilities connect to the JPP to accommodate the interconnection of the Generating Facility to the JPP.

**Network Upgrade() Facilities Study** shall mean a study conducted by the Transmission Provider or its third party consultant to determine a list of facilities required to implement Network Upgrade(s) as identified in the Cluster System Impact Study, the cost of those Network Upgrade(s), and the time required to implement those Network Upgrade(s). The scope of the study is defined in Section 8 of the GIP.
Non-Common Bus Interconnector shall mean any person interconnecting to the facilities other than those comprising the Common Bus.

North Gila Line Owners shall mean APS, Imperial Irrigation District and San Diego Gas and Electric Company, and their respective successors in interest.

Notice of Dispute shall mean a written notice of a dispute or claim that arises out of or in connection with this Agreement or its performance.

Open Access Same-Time Information System (OASIS) shall mean the information posted on the internet as maintained by Operating Agent.

Operating Agent(s) shall mean the Joint Participant(s) designated by the Joint Participants to be responsible for operating work and Capital Improvements for the JPP.

Operating Emergency shall mean an unplanned event or circumstance which reduces or may reduce the capability of the Common Bus or the JPP Interconnection Facilities that would otherwise be available to the Parties under normal system operating conditions.

Original Hassayampa Interconnectors shall mean the generation developers who are parties to the Funding Agreement, including their successors and assigns.

Palo Verde Switchyard (PV Switchyard) shall mean the 500 kV switchyard at the Palo Verde Generating Station, including all land, facilities and equipment appurtenant thereto.

Party or Parties shall mean Joint Participants, including Operating Agent, Interconnection Customer or any combination of the above.

Point of Change of Ownership (PCO) shall mean the point, as set forth in Appendix A to this Agreement, where the Interconnection Customer’s Interconnection Facilities connect to the JPP Interconnection Facilities.

Point of Interconnection (POI) shall mean the point, as set forth in Appendix A to this Agreement, where the Interconnection Facilities connect to the JPP.

Point of Interconnection Facilities Study shall mean a study conducted by the Operating Agent or its third party consultant to determine a list of facilities (including JPP Interconnection Facilities), the cost of those facilities and the time required to interconnect the Generating Facility with the JPP. The scope of the study is defined in Section 8 of the GIP.

PV Switchyard Cost Responsibility Ratio (PV CRR) shall mean the ratio of responsibility for costs allocated to the Palo Verde Switchyard as determined by the Operating Agent from time to time pursuant to Article 12.5 herein, and in accordance with Appendix I-2 to this Agreement.

Queue Position shall mean the order of a valid Interconnection Request, relative to all other pending valid Interconnection Requests, that is established based upon the date and time that Interconnection Customer satisfies all of the requirements of Section 3.3.1 of the GIP.

Reasonable Efforts shall mean, with respect to an action required to be attempted or taken by a Party under the GIP or this 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.

**Requested In-Service Date** shall mean the Interconnection Customer’s requested Initial Service Date.

**Requested Initial Synchronization Date** shall mean the Interconnection Customer’s requested Initial Synchronization Date.

**Requested Maximum Capacity** shall mean the Interconnection Customer’s requested total Maximum Capacity at the Point of Interconnection.

**Re-Study(ies)** shall mean the partial or complete reassessment of an Interconnection Study. The results of a Re-study(ies) supersede and replace in whole or in part the results of the preceding Interconnection Study.

**Scoping Meeting** shall mean the meeting between representatives of the Interconnection Customer(s) and Operating Agent 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 Point of Interconnection.

**Seven Year Queue Limit** shall mean that date seven (7) years from the Interconnection Customer’s Queue Position date, upon which the Generating Facility is fixed at its Maximum Capacity or the then-current amount of capacity.

**Shared Network Upgrade(s)** shall mean a Network Upgrade(s) that has been assigned to an Interconnection Customer(s) and is subsequently identified as necessary to accommodate the interconnection of the Generating Facility of an Interconnection Customer(s) in a later Cluster and meets the requirements pursuant to the process outlined in Section 5.3 of the GIP and SRP’s Business Practice(s) posted on OASIS.

**Site Control** shall mean the land right to develop, construct, operate and maintain the Generating Facility or the land right to develop, construct, operate and maintain the Generating Facility and Interconnection Customer’s Interconnection Facilities in accordance with the GIP and SRP’s Business Practice posted on OASIS.

**SRP** shall mean Salt River Project Agricultural Improvement and Power District as a Joint Participant and Operating Agent for the JPP.

**SRP Business Practice(s)** shall mean one or more business practices of SRP as posted on OASIS.

**Stand Alone Network Upgrade(s)** shall mean Network Upgrade(s) that are not part of an Affected System that an Interconnection Customer may construct without affecting day-to-day operations of the JPP during their construction. Both the Joint Participants and Interconnection Customer must agree as to what constitutes Stand Alone Network Upgrade(s) and identify them in Appendix A to this Agreement. If the Joint Participants and Interconnection Customer disagree about whether a particular Network Upgrade(s) is a Stand Alone Network Upgrade(s), the Operating Agent must provide the Interconnection Customer a written technical explanation.
outlining why the Joint Participants do not consider the Network Upgrade(s) to be a Stand Alone Network Upgrade(s) within fifteen (15) Business Days of its determination.

**Surplus Interconnection Service** shall mean any unneeded portion of Interconnection Service established in a 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 JPP from faults or other electrical disturbances occurring at the Generating Facility or (2) the Generating Facility from faults or other electrical system disturbances occurring on the JPP or on other delivery systems or other generating systems to which the JPP is directly connected.

**Transmission System** shall mean the facilities owned, controlled or operated by any entity(ies) that are used to provide transmission service.

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

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

**WECC** is the Western Electric Coordinating Council or its successor organization.

### Article 2. Effective Date, Term, and Termination.

**2.1. Effective Date.**

This Agreement shall become effective upon execution by the Parties subject to acceptance by FERC, if applicable. Those Joint Participants who are FERC-jurisdictional shall promptly file this Agreement with FERC upon execution in accordance with Article 3 of this Agreement, if required.

**2.2. Term of Agreement.**

This Agreement shall remain in effect unless and until terminated as provided for in Article 2.3 herein.

**2.3. Termination Procedures.**

**2.3.1. Written Notice.**

This Agreement shall terminate upon the first of the following events to occur: (i) the termination of the Participation Agreement; (ii) written agreement of all Parties to terminate this Agreement; (iii) termination of this Agreement pursuant to Article 19 of this Agreement; (iv) upon no less than ninety (90) Calendar Days advance written notice of termination from Interconnection Customer to Operating Agent; or (v) by Operating Agent after the Generating Facility permanently ceases Commercial Operation. For purposes of this Article 2.3, the Participation
Agreement shall not be deemed to have terminated at any time when (i) the JPP is being operated in substantially the same manner as on the Interconnection Facilities In-Service Date and (ii) an agreement pertaining to the operation of the JPP is in effect among the Joint Participants on substantially the same terms as on the Interconnection Facilities In-Service Date. Notwithstanding the foregoing, this Agreement shall not be terminated if the Interconnection Customer has been approved for replacing or modifying its Generating Facility per Section 3.11 of the GIP until the Agreement associated with the Replacement Facility is in effect.

2.3.2. Default.

Prior to the termination of this Agreement by termination of the Development and Operating Agreement, the Joint Participants agree to negotiate in good faith with Interconnection Customer and to proceed with due diligence to develop a replacement agreement which provides similar benefits to the Parties under substantially the same terms and conditions as this Agreement.

2.3.3. Compliance with Applicable Laws and Regulations.

Notwithstanding Articles 2.3.1 and 2.3.2, no termination shall become effective until the Parties have complied with all Applicable Laws and Regulations applicable to such termination, including, if necessary, the filing with FERC of a notice of termination of this Agreement, which notice has been accepted for filing by FERC.

2.4. Termination Costs.

2.4.1. With respect to any portion of JPP Interconnection Facilities that have not yet been constructed or installed, Operating Agent shall to the extent possible and with Interconnection Customer’s authorization cancel any pending orders of, or return, any materials or equipment for, or contracts for construction of such facilities; provided that in the event Interconnection Customer elects not to authorize such cancellation, Interconnection Customer shall assume all payment obligations with respect to such materials, equipment, and contracts, and Operating Agent shall deliver such material and equipment, and, if necessary, assign such contracts, to Interconnection Customer as soon as practicable, at Interconnection Customer’s expense. To the extent that Interconnection Customer has already paid Operating Agent for any or all such costs of materials or equipment not taken by Interconnection Customer, Operating Agent shall promptly refund such amounts to Interconnection Customer, less any costs, including penalties incurred by Operating Agent to cancel any pending orders of or return such materials, equipment, or contracts.

If the Interconnection Customer terminates this Agreement, it shall be responsible for all costs incurred in association with such interconnection, including any cancellation costs relating to orders or contracts for Interconnection Facilities and equipment, and other expenses including any Network Upgrades for which Operating Agent has incurred expenses and has not been reimbursed by Interconnection Customer.

2.4.2. Operating Agent may, at its option, retain any portion of such materials, equipment, or facilities that Interconnection Customer chooses not to accept delivery of, in
which case Operating Agent shall be responsible for all costs associated with procuring such materials, equipment, or facilities.

2.4.3. With respect to any portion of the Interconnection Facilities, and any other facilities already installed or constructed pursuant to the terms of this Agreement, Interconnection Customer shall be responsible for all costs associated with the removal, relocation or other disposition or retirement of such materials, equipment, or facilities.

2.5. Disconnection.

Upon termination of this Agreement, the Parties will take all appropriate steps to disconnect the Generating Facility from the Transmission System. All costs required to effectuate such disconnection shall be borne by the terminating Party, unless such termination resulted from the non-terminating Party’s Default of this Agreement or the non-terminating Party otherwise is responsible for these costs under this Agreement.

2.6. Survival.

This Agreement shall continue in effect after termination to the extent necessary to provide for final billings and payments and for costs incurred hereunder, including billings and payments pursuant to this Agreement; to permit the determination and enforcement of liability and indemnification obligations arising from acts or events that occurred while this Agreement was in effect; and to permit each Party to have access to the lands of the other Party pursuant to this Agreement or other applicable agreements, to disconnect, remove or salvage its own facilities and equipment.

Article 3. Regulatory Filings.

Each FERC-jurisdictional Party shall file this Agreement (and any amendment hereto) with the appropriate Governmental Authority, if required. Any Party may request that any information so provided be subject to the confidentiality provisions of Article 24 herein. The Parties shall reasonably cooperate with respect to any such filing and provide any information reasonably requested by any Party needed to comply with applicable regulatory requirements.

Article 4. Scope of Service.

4.1. Provision of Service.

The Joint Participants shall provide Interconnection Service for the Generating Facility at the Point of Interconnection. Interconnection Service shall not exceed the Maximum Capacity as specified in Appendix C to this Agreement.

4.2. Performance Standards.

Each Party shall perform all of its obligations under this Agreement in accordance with Applicable Laws and Regulations, Applicable Reliability Standards, and Good Utility Practice, and to the extent a Party is required or prevented or limited in taking any action by such regulations and standards, such Party shall not be deemed to be in Breach of this Agreement for its compliance therewith.
4.3. **No Transmission Service.**

The execution of this Agreement does not constitute a request for, nor the provision of, any transmission service under any Joint Participant’s open access transmission tariff, and does not convey any right to deliver electricity to any specific customer or Point of Delivery.

4.4. **Interconnection Customer Provided Services.**

The services provided by Interconnection Customer under this Agreement are set forth in Section 11.6 and Section 15.4.1. Interconnection Customer shall be paid for such services in accordance with Section 13.7.

4.5. **Common Bus Arrangement.**

The Common Bus shall be operated as a Common Bus Arrangement. There will be no transmission charge or transmission credit associated with service occurring solely within the Common Bus. The absence of a transmission charge shall not be considered a discount for purposes of the ANPP Switchyard Participants’ open access transmission tariff. Electrical losses in regards to use of the Common Bus Arrangement shall be determined in accordance with Good Utility Practice and allocated between the Hassayampa Switchyard and the PV Switchyard by the E&O Committee.

**Article 5. Interconnection Facilities Engineering, Procurement, and Construction.**

5.1. **Options.**

Unless otherwise mutually agreed to between the Parties, Interconnection Customer shall select the Requested In-Service Date, Requested Initial Synchronization Date, and Commercial Operation Date; and either the Standard Option or Alternate Option set forth below, and such dates and selected option shall be set forth in Appendices A, B and E to this Agreement. If the dates designated by Interconnection Customer are not acceptable to Operating Agent, Operating Agent shall so notify Interconnection Customer within thirty (30) Calendar Days. Upon receipt of the notification that Interconnection Customer’s designated dates are not acceptable, the Interconnection Customer shall notify Operating Agent within thirty (30) Calendar Days whether it elects to exercise the Option to Build if it has not already elected to exercise the Option to Build.

5.1.1. **Standard Option.**

Operating Agent shall design, procure, and construct JPP’s Interconnection Facilities and Network Upgrade(s), using Reasonable Efforts to complete JPP Interconnection Facilities and Network Upgrade(s) by the dates set forth in Appendix B to this Agreement. Operating Agent shall not be required to undertake any action which is inconsistent with its standard safety practices, its material and equipment specifications, its design criteria and construction procedures, its labor agreements, and Applicable Laws and Regulations. In the event the Operating Agent reasonably expects that it will not be able to complete JPP Interconnection Facilities and Network Upgrade(s) by the specified dates, Operating Agent shall
promptly provide written notice to Interconnection Customer and shall undertake Reasonable Efforts to meet the earliest dates thereafter.

5.1.2. Alternate Option.

If the dates designated by Interconnection Customer are acceptable to Joint Participants, Operating Agent shall so notify Interconnection Customer within thirty (30) Calendar Days, and shall assume responsibility for the design, procurement and construction of JPP Interconnection Facilities by the designated dates.

5.1.3. Option to Build.

Interconnection Customer shall have the option to assume responsibility for the design, procurement and construction of a portion of the JPP’s Interconnection Facilities as described in the SRP Business Practice and Stand Alone Network Upgrade(s) on the dates specified in Article 5.1.2. Operating Agent and Interconnection Customer must agree as to what constitutes Stand Alone Network Upgrade(s) and identify such Stand Alone Network Upgrade(s) in Appendix A to this Agreement. Except for Stand Alone Network Upgrade(s), Interconnection Customer shall have no right to construct Network Upgrade(s) under this option. Operating Agent and Interconnection Customer must agree as to what constitutes Stand Alone Network Upgrade(s) and identify such Stand Alone Network Upgrade(s) in Appendix A to this Agreement. Except for Stand Alone Network Upgrade(s), Interconnection customer shall have no right to construct Network Upgrade(s) under this option.

5.1.4. Negotiated Option.

If the dates designated by Interconnection Customer are not acceptable to Joint Participants, the Parties may in good faith attempt to negotiate terms and conditions (including revision of the specified dates, the provision of incentives, or the procurement and construction of all facilities other than JPP’s Interconnection Facilities and Stand Alone Network Upgrade(s) if the Interconnection Customer elects to exercise the Option to Build under Article 5.1.3). If the Parties are unable to reach agreement on such terms and conditions, then pursuant to Article 5.1.1, Operating Agent shall assume responsibility for the design, procurement and construction of all facilities other than JPP’s Interconnection Facilities and Stand Alone Network Upgrade(s) if the Interconnection Customer elects to exercise the Option to Build.

5.2. General Conditions Applicable to Option to Build.

As described further in SRP Business Practices posted on OASIS, if Interconnection Customer assumes responsibility for the design, procurement and construction of a portion of the JPP’s Interconnection Facilities:

1. Interconnection Customer shall engineer, procure equipment, and construct JPP’s Interconnection Facilities and Stand Alone Network Upgrade(s) (or portions thereof) using Good Utility Practice, approved equipment vendors, and using standards and specifications provided by Operating Agent;
2. Interconnection Customer’s engineering, procurement and construction of JPP’s Interconnection Facilities and Stand Alone Network Upgrade(s) shall comply with all requirements of law to which Operating Agent would be subject in the engineering, procurement or construction of JPP Interconnection Facilities and Stand Alone Network Upgrade(s);

3. Joint Participants shall review and approve the engineering design, equipment acceptance tests, and the construction of JPP Interconnection Facilities and Stand Alone Network Upgrade(s);

4. Prior to commencement of construction, Interconnection Customer shall provide to Operating Agent a schedule for construction of JPP’s Interconnection Facilities and Stand Alone Network Upgrade(s), and shall promptly respond to requests for information from Operating Agent;

5. At any time during construction, Operating Agent shall have the right to gain unrestricted access to JPP’s Interconnection Facilities and Stand Alone Network Upgrade(s) and to conduct inspections of the same;

6. At any time during construction, should any phase of the engineering, equipment procurement, or construction of JPP’s Interconnection Facilities and Stand Alone Network Upgrade(s) not meet the standards and specifications provided by Operating Agent, Interconnection Customer shall be obligated to remedy deficiencies in that portion of JPP’s Interconnection Facilities and Stand Alone Network Upgrade(s) before continuing any further activity;

7. Interconnection Customer shall indemnify Joint Participants for claims arising from Interconnection Customer’s construction of JPP’s Interconnection Facilities and Stand Alone Network Upgrade(s) under the terms and procedures applicable to Article 23 of this Agreement;

8. Interconnection Customer shall transfer control of JPP’s Interconnection Facilities and Stand Alone Network Upgrade(s) to the Joint Participants;

9. Unless Parties otherwise agree, Interconnection Customer shall transfer ownership of JPP’s Interconnection Facilities and Stand Alone Network Upgrade(s) to Joint Participants;

10. Joint Participants shall approve and accept for operation and maintenance JPP’s Interconnection Facilities and Stand Alone Network Upgrade(s) to the extent engineered, procured, and constructed in accordance with this Article 5.2;

11. Interconnection Customer shall deliver to Operating Agent “as-built” drawings, information, and any other documents that are reasonably required by Joint Participants to assure that the Interconnection Facilities and Stand Alone Network Upgrade(s) are built to the standards and specifications required by Joint Participants; and

12. If Interconnection Customer exercises the Option to Build pursuant to Article 5.1.3, Interconnection Customer shall pay Operating Agent the actual amount of costs
for Operating Agent to execute the responsibilities enumerated to Operating Agent under this Article 5.2.

5.3. Additional Contracts.

Joint Participants and Interconnection Customer may enter into additional contracts as appropriate for activities related to engineering, procurement and construction of Interconnection Facilities and Network Upgrade(s).

5.4. Power System Stabilizers.

The Interconnection Customer shall procure, install, maintain and operate power system stabilizers in accordance with the guidelines and procedures established by the Applicable Reliability Standards. Operating Agent reserves the right to reasonably establish minimum acceptable settings for any installed power system stabilizers, subject to the design and operating limitations of the Generating Facility. If the Generating Facility’s power system stabilizers are removed from service or not capable of automatic operation, Interconnection Customer shall immediately notify the Operating Agent’s system operator, or its designated representative.

5.5. Equipment Procurement.

If responsibility for construction of JPP’s Interconnection Facilities or Network Upgrade(s) is to be borne by Operating Agent, then Operating Agent shall commence design of JPP Interconnection Facilities or Network Upgrade(s) and procure necessary equipment as soon as practicable after all of the following conditions are satisfied, unless the Parties otherwise agree in writing:

5.5.1. Operating Agent has completed all required studies pursuant to the GIP;  
5.5.2. Operating Agent has received written authorization to proceed with design and procurement from Interconnection Customer by the date specified in Appendix B to this Agreement or in the EPC Agreement; and  
5.5.3. Interconnection Customer has provided security to Operating Agent in accordance with Article 13.6 by the dates specified in Appendix B to this Agreement or in the EPC Agreement.

5.6. Construction Commencement.

Operating Agent shall commence construction of JPP Interconnection Facilities and Network Upgrade(s) for which it is responsible as soon as practicable after the following additional conditions are satisfied:

5.6.1. Approval of the appropriate Governmental Authority has been obtained for any facilities requiring regulatory approval;  
5.6.2. Necessary real property rights and rights-of-way have been obtained, to the extent required for the construction of a discrete aspect of JPP Interconnection Facilities and Network Upgrade(s);
5.6.3. Operating Agent has received written authorization to proceed with construction from Interconnection Customer by the date specified in Appendix B to this Agreement; and

5.6.4. Interconnection Customer has provided security to Operating Agent in accordance with Article 13.6 by the dates specified in Appendix B to this Agreement.

5.7. Interconnection Customer’s Interconnection Facilities.

Interconnection Customer shall, at its expense, design, procure, construct, own and install Interconnection Customer’s Interconnection Facilities, as set forth in Appendix A to this Agreement.

5.7.1. Interconnection Customer’s Interconnection Facilities Specifications.

Interconnection Customer shall submit initial specifications for the Interconnection Customer’s Interconnection Facilities, including System Protection Facilities, to Operating Agent at least one hundred eighty (180) Calendar Days prior to the Requested In-Service Date; and final specifications for review and comment at least ninety (90) Calendar Days prior to the Requested Initial Synchronization Date. Operating Agent shall review such specifications to ensure that Interconnection Customer’s Interconnection Facilities are compatible with the technical specifications, operational control, and safety requirements of Operating Agent and comment on such specifications within thirty (30) Calendar Days of Interconnection Customer’s submission. All specifications provided hereunder shall be deemed confidential.

5.7.2. Operating Agent’s Review.

Operating Agent’s review of Interconnection Customer’s final specifications shall not be construed as confirming, endorsing, or providing a warranty as to the design, fitness, safety, durability or reliability of the Generating Facility, or Interconnection Customer’s Interconnection Facilities. Interconnection Customer shall make such changes to Interconnection Customers Interconnection Facilities as may reasonably be required by Operating Agent, in accordance with Good Utility Practice, to ensure that Interconnection Customer’s Interconnection Facilities are compatible with the technical specifications, operational control, and safety requirements of the JPP.

5.7.3. Interconnection Customer’s Interconnection Facilities Construction.

Interconnection Customer’s Interconnection Facilities shall be designed and constructed in accordance with Good Utility Practice. Within one hundred twenty (120) Calendar Days after the Commercial Operation Date, unless the Parties agree on another mutually acceptable deadline, Interconnection Customer shall deliver to Operating Agent “as-built” drawings, information and documents for Interconnection Customer’s Interconnection Facilities, such as: a one-line diagram, a site plan showing the Generating Facility and Interconnection Customer’s Interconnection Facilities, plan and elevation drawings showing the layout of Interconnection Customer’s Interconnection Facilities, a relay functional diagram, relaying AC and DC schematic wiring diagrams and relay settings for all
facilities associated with Interconnection Customer’s step-up transformers, the facilities connecting the Generating Facility to the step-up transformers and Interconnection Customer’s Interconnection Facilities, and the impedances (determined by factory tests) for the associated step-up transformers and the Generating Facility. The Interconnection Customer shall provide Operating Agent with specifications for the excitation system, automatic voltage regulator, Generating Facility control and protection settings, transformer tap settings, and communications, if applicable.

5.8.  JPP Interconnection Facilities Construction.

JPP Interconnection Facilities shall be designed and constructed in accordance with Good Utility Practice. Upon request, within one hundred twenty (120) Calendar Days after the Commercial Operation Date, unless the Parties agree on another mutually acceptable deadline, Operating Agent shall deliver to Interconnection Customer records of installed equipment (as-built) drawings, information and documents for JPP Interconnection Facilities, including such appropriate drawings and relay diagrams.

Joint Participant’s will obtain control of JPP’s Interconnection Facilities and Stand Alone Network Upgrade(s) upon completion of such facilities.

5.9.  Work Progress.

The Parties will keep each other advised periodically as to the progress of their respective design, procurement and construction efforts. Either Party may, at any time, request a progress report from the other Party. If, at any time, Interconnection Customer determines that the completion of JPP Interconnection Facilities will not be required until after the specified Requested In-Service Date, Interconnection Customer will provide written notice to Operating Agent of such later date upon which the completion of JPP Interconnection Facilities will be required.

5.10. Information Exchange.

As soon as reasonably practicable after the Effective Date, the Parties shall exchange information regarding the design and compatibility of the Parties’ Interconnection Facilities and compatibility of the Interconnection Facilities with the JPP, and shall work diligently and in good faith to make any necessary design changes.

5.11. Limited Operation.

If any of JPP Interconnection Facilities or Network Upgrade(s) are not reasonably expected to be completed prior to the Requested Initial Synchronization Date of the Generating Facility, Operating Agent shall, upon the request and at the expense of Interconnection Customer, perform operating studies on a timely basis to determine the extent to which the Generating Facility and Interconnection Customer’s Interconnection Facilities may operate prior to the completion of JPP Interconnection Facilities or Network Upgrade(s) consistent with Applicable Laws and Regulations, Applicable Reliability Standards, Good Utility Practice, and this Agreement. Operating Agent shall permit Interconnection Customer to operate the Generating Facility and Interconnection Customer’s Interconnection Facilities in accordance with the results of such studies.
5.12. Land of Other Property Owners.

If any part of JPP Interconnection Facilities and/or Network Upgrade(s) is to be installed on property owned by persons other than Interconnection Customer or Joint Participants, Operating Agent shall at Interconnection Customer’s expense use efforts, similar in nature and extent to those that it typically undertakes on its own behalf or on behalf of its Affiliates, including use of its eminent domain authority, and to the extent consistent with state law to procure from such persons any rights of use, licenses, rights of way and easements that are necessary to construct, operate, maintain, test, inspect, replace or remove JPP Interconnection Facilities and/or Network Upgrade(s) upon such property.

5.13. Access Rights

Upon reasonable notice and supervision by a Party, and subject to any required or necessary regulatory approvals, a Party (Granting Party) shall furnish at no cost to the other Party (Access Party) any rights of use, licenses, rights of way and easements with respect to lands owned or controlled by the Granting Party, its agents (if allowed under the applicable agency agreement), or any Affiliate, that are necessary to enable the Access Party to obtain ingress and egress to construct, operate, maintain, repair, test (or witness testing), inspect, replace or remove facilities and equipment to: (i) interconnect the Generating Facility with the JPP; (ii) operate and maintain the Generating Facility and the Interconnection Facilities; and (iii) disconnect or remove the Access Party’s facilities and equipment upon termination of this Agreement. In exercising such licenses, rights of way and easements, the Access Party shall not unreasonably disrupt or interfere with normal operation of the Granting Party’s business and shall adhere to the safety rules and procedures established in advance, as may be changed from time to time, by the Granting Party and provided to the Access Party. Such Access Rights shall be subject to modification and relocation by the Joint Participants as described in Article 5.1 of this Agreement and shall each terminate without further act of any Party upon termination of this Agreement. Upon such termination, each grantee under the applicable Access Right shall, at the request of Operating Agent, execute and deliver to the requesting Party in recordable form an instrument evidencing such termination.


The Interconnection Customer bears sole responsibility for obtaining all permits, licenses and authorizations required for the requested interconnection, unless otherwise specifically noted in Appendix B to this Agreement.

5.15. Early Construction of Base Case Facilities.

Interconnection Customer may request Operating Agent to construct, and Operating Agent shall construct, using Reasonable Efforts to accommodate Interconnection Customer’s Requested In-Service Date, all or any portion of any Network Upgrade(s) required for Interconnection Customer to be interconnected to the JPP, which are included in the Base Case of the Interconnection Facilities Study for Interconnection Customer, and which also are required to be constructed for another Interconnection Customer, but where such construction is not scheduled to be completed in time to achieve Interconnection Customer’s Requested In-Service Date.
5.16. Suspension.

Interconnection Customer reserves the right, upon written notice to Operating Agent, to suspend at any time all work by Operating Agent associated with the construction and installation of JPP Interconnection Facilities and/or Network Upgrade(s) required under this Agreement with the condition that the JPP shall be left in a safe and reliable condition in accordance with Good Utility Practice and Operating Agent’s safety and reliability criteria. In such event, Interconnection Customer shall be responsible for all reasonable and necessary costs which Operating Agent (i) has incurred pursuant to this Agreement prior to the suspension and (ii) incurs in suspending such work, including any costs incurred to perform such work as may be necessary to ensure the safety of persons and property and the integrity of the JPP during such suspension and, if applicable, any costs incurred in connection with the cancellation or suspension of material, equipment and labor contracts which Operating Agent cannot reasonably avoid; provided, however, that prior to canceling or suspending any such material, equipment or labor contract, Operating Agent shall obtain Interconnection Customer’s authorization to do so.

Operating Agent shall invoice Interconnection Customer for such costs pursuant to Article 14 and shall use due diligence to minimize its costs. In the event Interconnection Customer suspends work by Operating Agent required under this Agreement pursuant to this Article 5.16, and has not requested Operating Agent to recommence the work required under this Agreement on or before the expiration of three (3) years following commencement of such suspension, this Agreement shall be deemed terminated. The three-year period shall begin on the date the suspension is requested, or the date of the written notice to Operating Agent, if no effective date is specified.

Notwithstanding the forgoing, nothing in this section supersedes, modifies or tolls the requirements set forth in Section 3.3.2 of the GIP associated with this Agreement. At the end of the Seven Year Queue Limit, the amount of capacity actually in service shall be reflected in Appendix C to this Agreement as the maximum interconnection service allowed.

5.17. Easement.

The Joint Participants will grant to the Interconnection Customer, and their successors and assigns, subject to the terms and conditions of this Agreement, including, without limitation, any provisions relating to relocation or termination, a non-exclusive easement in a location on the JPP Land, reasonably determined by the Operation Agent, substantially in the form attached as Appendix L to this Agreement, (an Easement) for the purposes of locating the Interconnection Customer’s Interconnection Facilities and installing, operating, maintaining, repairing and replacing the Interconnection Customer’s Interconnection Facilities. The Joint Participants make no representation, warranty, or covenant of any kind regarding the title to or priority of such Easements. The Interconnection Customer’s Interconnection Facilities shall initially be constructed by Interconnection Customer in the location designated or approved by the Operating Agent and shall not be relocated or modified by Interconnector without the consent of the Operating Agent. The Joint Participants may modify or relocate the Interconnection Customer’s Interconnection Facilities, subject to the prior approval of the E&O Committee, as required: (i) to meet Applicable Reliability Standards, or (ii) to facilitate future Connections in accordance with Good Utility Practice and Applicable Reliability Standards. To the extent permitted by law, the costs of future Connections, including the costs of modifications or relocations required to facilitate such Connections, shall be payable solely by the party requesting such Connection. In the event that the Joint Participants propose to make any such modification or relocation, the Operating Agent will notify the Interconnection Customer in advance and provide a reasonable opportunity for consultation. The Easement shall terminate without further act of any Party upon termination.
of this Agreement. Upon such termination, each grantee under the applicable Easement shall, at the request of Operating Agent or any Joint Participant, execute and deliver to the requesting Party in recordable form an instrument evidencing such termination.

Article 6. Taxes.

6.1. Interconnection Customer Payments Not Taxable.

The Parties intend that all payments or property transfers made by Interconnection Customer to Joint Participants for the installation of JPP Interconnection Facilities and the Network Upgrade(s) shall be non-taxable, either as contributions to capital, or as an advance, in accordance with the Internal Revenue Code and any applicable state income tax laws and shall not be taxable as contributions in aid of construction or otherwise under the Internal Revenue Code and any applicable state income tax laws, including any applicable laws for Joint Participants which are municipal entities.

6.2. Representations and Covenants.

In accordance with IRS Notice 2016-36, Interconnection Customer represents and covenants that (i) ownership of the electricity generated at the Generating Facility will pass to another party prior to the transmission of the electricity on the JPP, (ii) for income tax purposes, the amount of any payments and the cost of any property transferred to Joint Participants for JPP Interconnection Facilities will be capitalized by Interconnection Customer as an intangible asset and recovered using the straight-line method over a useful life of twenty (20) years, and (iii) any portion of JPP Interconnection Facilities that is a “dual-use intertie,” within the meaning of IRS Notice 2016-36, is reasonably expected to carry only a de minimis amount of electricity in the direction of the Generating Facility. For this purpose, “de minimis amount” means no more than five (5) percent of the total power flows in both directions, calculated in accordance with the “5 percent test” set forth in IRS Notice 2016-36. This is not intended to be an exclusive list of the relevant conditions that must be met to conform to IRS requirements for non-taxable treatment.

At Operating Agent’s request, Interconnection Customer shall provide Operating Agent with a report from an independent engineer confirming its representation in clause (iii), above. Each Joint Participant represents and covenants that the cost of JPP Interconnection Facilities paid for by Interconnection Customer will have no net effect on the base upon which rates are determined.

6.3. Indemnification for the Cost Consequences of Current Tax Liability Imposed Upon the Joint Participants.

Notwithstanding Article 6.1, Interconnection Customer shall protect, indemnify and hold harmless Joint Participants from the cost consequences of any current tax liability imposed against Joint Participants as the result of payments or property transfers made by Interconnection Customer to Joint Participants under this Agreement for Interconnection Facilities, as well as any interest and penalties, other than interest and penalties attributable to any delay caused by Operating Agent and Joint Participants.

Operating Agent shall not include a gross-up for the cost consequences of any current tax liability in the amounts it charges Interconnection Customer under this GIA unless (i) Joint Participants have determined, in good faith, that the payments or property transfers made by Interconnection Customer to Joint Participants should be reported as income subject to taxation or (ii) any Governmental Authority directs Joint Participants to report payments or property as income
subject to taxation including State and local taxes; provided, however, that Operating Agent may require Interconnection Customer to provide security for Interconnection Facilities, in a form reasonably acceptable to the Operating Agent (such as a parental guarantee or a letter of credit), in an amount equal to the cost consequences of any current tax liability under this Article 6. Interconnection Customer shall reimburse for such costs on a fully grossed-up basis, in accordance with Article 6.4 herein, within thirty (30) Calendar Days of receiving written notification from Operating Agent of the amount due, including detail about how the amount was calculated.

The indemnification obligation shall terminate at the earlier of (1) the expiration of the ten year testing period and the applicable statute of limitation, as it may be extended by Operating Agent upon request of the IRS, to keep these years open for audit or adjustment, or (2) the occurrence of a subsequent taxable event and the payment of any related indemnification obligations as contemplated by this Article 6.

6.4. **Tax Gross-Up Amount.**

Interconnection Customer's liability for the cost consequences of any current tax liability under this Article 6 shall be calculated on a fully grossed-up basis. Except as may otherwise be agreed to by the parties, this means that Interconnection Customer will pay Operating Agent, in addition to the amount paid for the Interconnection Facilities and Network Upgrade(s), an amount equal to (1) the current taxes imposed on any Joint Participant (Current Taxes) on the excess of (a) the gross income realized by any such Joint Participant as a result of payments or property transfers made by Interconnection Customer under this Agreement (without regard to any payments under this Article 6) (the Gross Income Amount) over (b) the present value of future tax deductions for depreciation that will be available as a result of such payments or property transfers (the Present Value Depreciation Amount), plus (2) an additional amount sufficient to permit Joint Participant(s) to receive and retain, after the payment of all Current Taxes, an amount equal to the net amount described in clause (1). Any such payments received by Operating Agent shall be distributed to the affected Joint Participant(s).

For this purpose, for each Joint Participant (i) Current Taxes shall be computed as to the Joint Participant’s share of payments or property transfers received based on Joint Participant’s composite federal and state tax rates at the time the payments or property transfers are received and any such Joint Participant will be treated as being subject to tax at the highest marginal rates in effect at that time (the Current Tax Rate), and (ii) the Present Value Depreciation Amount shall be computed by discounting Joint Participant(s) anticipated tax depreciation deductions as a result of such payments or property transfers by such Joint Participant’s current weighted average cost of capital. Thus, the formula for calculating Interconnection Customer’s liability to Operating Agent and/or each affected Joint Participant pursuant to this Article 6 can be expressed as follows: (Current Tax Rate x (Gross Income Amount – Present Value of Tax Depreciation))/((1-Current Tax Rate). Interconnection Customer’s estimated tax liability in the event taxes are imposed shall be stated in Appendix A to this Agreement.

6.5. **Private Letter Ruling or Change or Clarification of Law.**

At Interconnection Customer’s request and expense, any, or all of the Joint Participant(s) shall file with the IRS a request for a private letter ruling as to whether any property transferred or sums paid, or to be paid, by Interconnection Customer to Joint Participant(s) under this Agreement are subject to federal income taxation. Interconnection Customer will prepare the initial draft of the request for a private letter ruling, and will certify under penalties of perjury that all facts represented in such request are true and accurate to the best of Interconnection Customer’s
knowledge. Joint Participant(s) and Interconnection Customer shall cooperate in good faith with respect to the submission of such request.

The affected Joint Participant(s) shall keep Interconnection Customer fully informed of the status of such request for a private letter ruling and shall execute either a privacy act waiver or a limited power of attorney, in a form acceptable to the IRS, that authorizes Interconnection Customer to participate in all discussions with the IRS regarding such request for a private letter ruling. The Joint Participant(s) shall allow Interconnection Customer to attend all meetings with IRS officials about the request and shall permit Interconnection Customer to prepare the initial drafts of any follow-up letters in connection with the request.

6.6. Subsequent Taxable Events.

If, within ten (10) years from the date on which the relevant JPP Interconnection Facilities are placed in service, (i) Interconnection Customer Breaches the covenants contained in Article 6.2 herein, (ii) a “disqualification event” occurs within the meaning of IRS Notice 2016-36, or (iii) this Agreement terminates and Joint Participants retain ownership of the Interconnection Facilities and Network Upgrade(s), Interconnection Customer shall pay a tax gross-up for the cost consequences of any current tax liability imposed on any Joint Participant, calculated using the methodology described in Article 6.4 herein and in accordance with IRS Notice 2016-36.

6.7. Contests.

In the event any Governmental Authority determines that any Joint Participant’s receipt of payments or property constitutes income that is subject to taxation, Operating Agent, upon notification from such Joint Participant(s), shall notify Interconnection Customer, in writing, within thirty (30) Calendar Days of receiving notification of such determination by a Governmental Authority. Upon the timely written request by Interconnection Customer and at Interconnection Customer’s sole expense, Operating Agent or affected Joint Participant(s), as permissible, may appeal, protest, seek abatement of, or otherwise oppose such determination. Upon Interconnection Customer’s written request and sole expense, Operating Agent or applicable Joint Participant, as permissible, may file a claim for refund with respect to any taxes paid under this Article 6, whether or not it has received such a determination. The affected Joint Participant(s) reserves the right to make all decisions with regard to the prosecution of such appeal, protest, abatement or other contest, including the selection of counsel and compromise or settlement of the claim, but such Joint Participant(s) through Operating Agent shall keep Interconnection Customer informed, shall consider in good faith suggestions from Interconnection Customer about the conduct of the contest, and shall reasonably permit Interconnection Customer or an Interconnection Customer representative to attend contest proceedings.

Interconnection Customer shall pay to Operating Agent on a periodic basis, as invoiced by Operating Agent, the affected Joint Participant’s documented reasonable costs of prosecuting such appeal, protest, abatement or other contest. At any time during the contest, the affected Joint Participant(s) may agree to a settlement either with Interconnection Customer’s consent or after obtaining written advice from nationally-recognized tax counsel, selected by the affected Joint Participant(s), but reasonably acceptable to Interconnection Customer, that the proposed settlement represents a reasonable settlement given the hazards of litigation. Interconnection Customer’s obligation shall be based on the amount of the settlement agreed to by Interconnection Customer, or if a higher amount, so much of the settlement that is supported by the written advice from nationally-recognized tax counsel selected under the terms of the preceding sentence. The settlement amount shall be calculated on a fully grossed-up basis to
cover any related cost consequences of the current tax liability. Any settlement without Interconnection Customer’s consent or such written advice will relieve Interconnection Customer from any obligation to indemnify Joint Participant(s) for the tax at issue in the contest.


In the event that (a) a private letter ruling is issued to the affected Joint Participant(s) which holds that any amount paid or the value of any property transferred by Interconnection Customer to the affected Joint Participant(s) under the terms of this Agreement is not subject to federal income taxation, (b) any legislative change or administrative announcement, notice, ruling or other determination makes it reasonably clear to Joint Participant(s) in good faith that any amount paid or the value of any property transferred by Interconnection Customer to the affected Joint Participant(s) under the terms of this Agreement is not taxable to the affected Joint Participant(s), (c) any abatement, appeal, protest, or other contest results in a determination that any payments or transfers made by Interconnection Customer to the affected Joint Participant are not subject to federal income tax, or (d) if the affected Joint Participant(s) receives a refund from any taxing authority for any overpayment of tax attributable to any payment or property transfer made by Interconnection Customer to JPP pursuant to this Agreement, the Joint Participant(s) through Operating Agent shall promptly refund to Interconnection Customer the following:

(i) any payment made by Interconnection Customer under this Article 6 for taxes that is attributable to the amount determined to be non-taxable, together with interest thereon;

(ii) interest on any amounts paid by Interconnection Customer to the affected Joint Participant(s) for such taxes which such Joint Participant did not submit to the taxing authority, calculated in accordance with the methodology set forth in FERC’s regulations at 18 C.F.R. § 35.19a(a)(2)(iii) from the date payment was made by Interconnection Customer to the date such Joint Participant through Operating Agent refunds such payment to Interconnection Customer; and

(iii) with respect to any such taxes paid by Joint Participant(s), any refund or credit the affected Joint Participant(s) receives or to which it may be entitled from any Governmental Authority, interest (or that portion thereof attributable to the payment described in clause (i), above) owed to Joint Participant(s) for such overpayment of taxes (including any reduction in interest otherwise payable by such Joint Participant to any Governmental Authority resulting from an offset or credit); provided, however, that Joint Participant(s) will remit such amount promptly to Interconnection Customer, through Operating Agent only after and to the extent that such Joint Participant(s) has received a tax refund, credit or offset from any Governmental Authority for any applicable overpayment of income tax related to JPP Interconnection Facilities.

The intent of this provision is to leave the Parties, to the extent practicable, in the event that no taxes are due with respect to any payment for Interconnection Facilities and Network Upgrades hereunder, in the same position they would have been in had no such tax payments been made.


Upon the timely request by Interconnection Customer, and at Interconnection Customer’s sole expense, Joint Participant(s) may appeal, protest, seek abatement of, or otherwise contest any tax (other than federal or state income tax) asserted or assessed against such Joint Participant for which Interconnection Customer may be required to reimburse under the terms of this Agreement. Interconnection Customer shall pay to Joint Participant(s), through Operating Agent,
on a periodic basis, as invoiced by Operating Agent or affected Joint Participant(s), Joint Participant’s documented reasonable costs of prosecuting such appeal, protest, abatement, or other contest. Interconnection Customer and Joint Participant(s) shall cooperate in good faith with respect to any such contest. Unless the payment of such taxes is a prerequisite to an appeal or abatement or cannot be deferred, no amount shall be payable by Interconnection Customer to JPP for such taxes until they are assessed by a final, non-appealable order by any court or agency of competent jurisdiction. In the event that a tax payment is withheld and ultimately due and payable after appeal, Interconnection Customer will be responsible for all taxes, interest and penalties, other than penalties attributable to any delay caused by Joint Participant(s).

6.10. Tax Status.

Each Party shall cooperate with the other to maintain the other Party’s tax status. Nothing in this Article is intended to adversely affect any Joint Participant’s tax exempt status with respect to the issuance of bonds including, but not limited to, Local Furnishing Bonds. As used in this Agreement, the term “local furnishing bonds” refers to tax-exempt bonds used to finance facilities for the local furnishing of electric energy, as described in Section 142(f) of the Internal Revenue Code of 1986, as amended, or corresponding provisions of predecessor statutes.

Article 7. Modification of Facilities.

7.1. General.

Either Party may undertake modifications to its facilities. If a Party plans to undertake a modification that reasonably may be expected to affect the other Party’s facilities, that Party shall provide to the other Party sufficient information regarding such modification so that the other Party may evaluate the potential impact of such modification prior to commencement of the work. If Interconnection Customer plans to undertake a modification that reasonably may be expected to affect the JPP, Interconnection Customer shall provide to Operating Agent sufficient information regarding such modification so that Operating Agent may evaluate the potential impact of such modification prior to commencement of the work. Such information shall be deemed to be confidential hereunder and shall include information concerning the timing of such modifications and whether such modifications are expected to interrupt the flow of electricity from the Generating Facility. The Party desiring to perform such work shall provide the relevant drawings, plans, and specifications to the other Party at least ninety (90) Calendar Days in advance of the commencement of the work or such shorter period upon which the Parties may agree, which agreement shall not unreasonably be withheld, conditioned or delayed.

In the case of a proposed Generating Facility Modification to an Existing Generating Facility that is not a Material Modification and does not require Interconnection Customer to submit an Interconnection Request, Operating Agent shall provide, within thirty (30) Calendar Days (or such other time as the Parties may agree), an estimate of any additional modifications to the JPP, JPP Interconnection Facilities or Network Upgrade(s) necessitated by such Interconnection Customer modification and a good faith estimate of the costs thereof.

7.2. Standards.

Any additions, modifications, or replacements made to a Party’s facilities shall be designed, constructed and operated in accordance with this Agreement and Good Utility Practice.
7.3. Modification Costs.

Interconnection Customer shall not be directly assigned for the costs of any additions, modifications, or replacements that Joint Participants makes to JPP Interconnection Facilities or the JPP to facilitate the interconnection of a third party to JPP Interconnection Facilities or the JPP. Interconnection Customer shall be responsible for the costs of any additions, modifications, or replacements to Interconnection Customer’s Interconnection Facilities that may be necessary to maintain or upgrade such Interconnection Customer’s Interconnection Facilities consistent with Applicable Laws and Regulations, Applicable Reliability Standards or Good Utility Practice.

Article 8. Testing and Inspection.

8.1. Testing and Modifications Prior to In-Service Date.

Prior to the In-Service Date, Operating Agent shall test JPP Interconnection Facilities and Network Upgrade(s) and Interconnection Customer shall test the Generating Facility and Interconnection Customer’s Interconnection Facilities to ensure their safe and reliable operation. Each Party shall make any modifications to its facilities that are found to be necessary as a result of such testing. Interconnection Customer shall bear the cost of all such testing and modifications. Interconnection Customer shall generate test energy at the Generating Facility only if it has arranged for the delivery of such test energy.

8.2. Testing and Modifications Post Commercial Operation Date.

Each Party shall at its own expense perform routine inspection and testing of its facilities and equipment in accordance with Good Utility Practice as may be necessary to ensure the continued interconnection of the Generating Facility with the JPP in a safe and reliable manner. Each Party shall have the right, upon advance written notice, to require reasonable additional testing of the other Party’s facilities, at the requesting Party’s expense, as may be in accordance with Good Utility Practice.

8.3. Right to Observe Testing.

Each Party shall notify the other Party in advance of its performance of tests of its Interconnection Facilities. The other Party has the right, at its own expense, to observe such testing.

8.4. Right to Inspect.

Each Party shall have the right, but shall have no obligation to:

(i) observe the other Party’s tests and/or inspection of any of its System Protection Facilities and other protective equipment, including power system stabilizers;

(ii) review the settings of the other Party’s System Protection Facilities and other protective equipment; and

(iii) review the other Party’s maintenance records relative to the Interconnection Facilities, the System Protection Facilities and other protective equipment. A Party may exercise these rights from time to time as it deems necessary upon reasonable notice to the other Party. The exercise or non-exercise by a Party of any such rights shall not be construed as an endorsement or confirmation of any element or condition of the Interconnection Facilities.
or the System Protection Facilities or other protective equipment or the operation thereof, or as a warranty as to the fitness, safety, desirability, or reliability of same. Any information that a Party obtains through the exercise of any of its rights under this Article 8.4 shall be deemed to be Confidential Information and treated pursuant to Article 24 of this Agreement.

Article 9. Metering.


Each Party shall comply with the Applicable Laws and Regulations and Applicable Reliability Standards. Unless otherwise agreed by the Parties, Operating Agent shall install Metering Equipment at the Point of Interconnection prior to any operation of the Generating Facility and shall own, operate, test and maintain such Metering Equipment. Power flows to and from the Generating Facility shall be measured at or, at Operating Agent’s option, compensated to, the Point of Interconnection. Operating Agent shall provide metering quantities, in analog and/or digital form, to Interconnection Customer upon request. Interconnection Customer shall bear all reasonable documented costs associated with the purchase, installation, operation, testing and maintenance of the Metering Equipment.

9.2. Check Meters.

Interconnection Customer, at its option and expense, may install and operate, on its premises and on its side of the Point of Interconnection, one or more check meters to check meters installed by Operating Agent. Such check meters shall be for check purposes only and shall not be used for the measurement of power flows for purposes of this Agreement, except as provided in Article 9.4 herein. The check meters shall be subject at all reasonable times to inspection and examination by Operating Agent or its designee. The installation, operation and maintenance thereof shall be performed entirely by Interconnection Customer in accordance with Good Utility Practice.

9.3. Standards.

Operating Agent shall install, calibrate, and test revenue quality Metering Equipment in accordance with applicable ANSI standards.

9.4. Testing of Metering Equipment.

Operating Agent shall inspect and test all Joint Participant-owned Metering Equipment upon installation and at least once every two (2) years thereafter. If requested to do so by Interconnection Customer, Operating Agent shall, at Interconnection Customer’s expense, inspect or test Metering Equipment more frequently than every two (2) years. Operating Agent shall give reasonable notice of the time when any inspection or test shall take place, and Interconnection Customer may have representatives present at the test or inspection. If at any time Metering Equipment is found to be inaccurate or defective, it shall be adjusted, repaired or replaced at Interconnection Customer’s expense, in order to provide accurate metering, unless the inaccuracy or defect is due to Operating Agent’s failure to maintain, then Joint Participants shall pay. If Metering Equipment fails to register, or if the measurement made by Metering Equipment during a test varies by more than two percent (2%) from the measurement made by the standard meter used in the test, Operating Agent shall adjust the measurements by correcting all measurements for the period during which Metering Equipment was in error by using...
Interconnection Customer’s check meters, if installed. If no such check meters are installed or if the period cannot be reasonably ascertained, the adjustment shall be for the period immediately preceding the test of the Metering Equipment equal to one-half the time from the date of the last previous test of the Metering Equipment.

9.5. Metering Data.

At Interconnection Customer’s expense, the metered data shall be telemetered to one or more locations designated by Operating Agent and one or more locations designated by Interconnection Customer. Such telemetered data shall be used, under normal operating conditions, as the official measurement of the amount of energy delivered from the Generating Facility to the Point of Interconnection.

Article 10. Communications.

10.1. Interconnection Customer Obligations.

Interconnection Customer shall maintain satisfactory operating communications with Operating Agent’s transmission system dispatcher or representative designated by Operating Agent. Interconnection Customer shall provide standard voice line, dedicated voice line and facsimile communications at its Generating Facility control room or central dispatch facility through use of either the public telephone system, or a voice communications system that does not rely on the public telephone system. Interconnection Customer shall also provide the dedicated data circuit(s) necessary to provide Interconnection Customer data to Operating Agent as set forth in Appendix D to this Agreement. The data circuit(s) shall extend from the Generating Facility to the location(s) specified by Operating Agent. Any required maintenance of such communications equipment shall be performed by Interconnection Customer. Operational communications shall be activated and maintained under, but not be limited to, the following events: system paralleling or separation, scheduled and unscheduled shutdowns, equipment clearances, and hourly and daily load data.

10.2. Remote Terminal Unit.

Prior to the In-Service Date of the Generating Facility, a Remote Terminal Unit, or equivalent data collection and transfer equipment acceptable to the Parties, shall be installed by Interconnection Customer, or by Operating Agent at Interconnection Customer’s expense, to gather accumulated and instantaneous data to be telemetered to the location(s) designated by Operating Agent through use of a dedicated point-to-point data circuit(s) as indicated in Article 10.1 herein. The communication protocol for the data circuit(s) shall be specified by Operating Agent. Instantaneous bi-directional analog real power and reactive power flow information must be telemetered directly to the location(s) specified by Operating Agent.

10.3. No Annexation.

Any and all equipment placed on the premises of a Party shall be and remain the property of the Party providing such equipment regardless of the mode and manner of annexation or attachment to real property, unless otherwise mutually agreed by the Parties.
10.4. **Provision of Data from a Variable Energy Resource.**

The Interconnection Customer with a Variable Energy Resource Generating Facility shall provide meteorological and forced outage data as required by Operating Agent for power production forecasts. The Interconnection Customer with a Variable Energy Resource having wind as the energy source, at a minimum, will be required to provide to Operating Agent site-specific meteorological data including: temperature, wind speed, wind direction, and atmospheric pressure. The Interconnection Customer with a Variable Energy Resource having solar as the energy source, at a minimum, will be required to provide to Operating Agent site-specific meteorological data including: temperature, atmospheric pressure, and irradiance. The exact specifications of the meteorological and forced outage data to be provided by the Interconnection Customer to Operating Agent, including the frequency and timing of data submittals, shall be made taking into account the size and configuration of the Variable Energy Resource, its characteristics, location, and its importance in maintaining generation resource adequacy and transmission system reliability in its area. All requirements for meteorological and forced outage data must be commensurate with the power production forecasting employed by the Operating Agent. Such requirements for meteorological and forced outage data are set forth in Appendix C to this Agreement, as they may change from time to time.

**Article 11. Operations.**

11.1. **General.**

Each Party shall comply with Applicable Reliability Standards. Each Party shall provide to the other Party all information that may reasonably be required by the other Party to comply with Applicable Laws and Regulations and Applicable Reliability Standards.

11.2. **Balancing Authority Area Notification.**

At least one hundred twenty (120) Calendar Days before In-Service Date, Interconnection Customer shall notify Operating Agent in writing of the Balancing Authority Area in which the Generating Facility will be located. All necessary arrangements, including but not limited to those set forth in Articles 9 and 10 of this Agreement, and Balancing Authority Area generator interchange agreements, if applicable, and the appropriate measures under such agreements, shall be executed and implemented prior to the placement of the Generating Facility in the Balancing Authority Area.

11.3. **Operating Agent Obligations.**

Operating Agent shall cause the JPP Interconnection Facilities to be operated, maintained and controlled in a safe and reliable manner and in accordance with this Agreement. Operating Agent may provide operating instructions to Interconnection Customer consistent with this Agreement and Operating Agent’s operating protocols and procedures as they may change from time to time. Operating Agent will consider changes to its operating protocols and procedures proposed by Interconnection Customer.

11.4. **Interconnection Customer Obligations.**

Interconnection Customer shall at its own expense operate, maintain and control the Generating Facility and Interconnection Customer's Interconnection Facilities in a safe and reliable manner and in accordance with this Agreement. Interconnection Customer shall operate the Generating
Facility and Interconnection Customer’s Interconnection Facilities in accordance with all applicable requirements of the Balancing Authority Area of which it is part, as such requirements are set forth in Appendix C to this Agreement. Appendix C will be modified to reflect changes to the requirements as they may change from time to time. Either Party may request that the other Party provide copies of the requirements set forth in Appendix C to this Agreement. If the output of the Generating Facility at the Point of Interconnection exceeds the Maximum Capacity, as specified in Appendix C to this Agreement, Operating Agent, at its sole discretion, shall have the right to disconnect the Generating Facility until Interconnection Customer has demonstrated to Operating Agent’s satisfaction that sufficient controls are in place to limit the output of the Generating Facility at the Point of Interconnection to the Maximum Capacity. Interconnection customer shall be fully responsible for any Adverse System Impact that is attributable to the Generating Facility exceeding the Maximum Capacity at the Point of Interconnection.

11.5. Operating Agent Obligations.

11.5.1. The Operating Agent shall act in good faith to operate, maintain, and control the Common Bus and JPP Interconnection Facilities (i) in accordance with Good Utility Practice and Applicable Requirements; and (ii) in accordance with the provisions of this Agreement.

11.5.2. The Operating Agent shall act in good faith to perform Operating Work for the Hassayampa Switchyard and the JPP Interconnection Facilities, budgeted Capital Improvements thereto, in accordance with Good Utility Practice and pursuant to the terms and conditions of this Agreement.

11.5.3. The Operating Agent shall continue to perform its duties and responsibilities pursuant to the Participation Agreement.

11.5.4. The Operating Agent shall initially compute the Hassayampa CRR in the manner set forth in Appendix I-1 to this Agreement, and the PV CRR in the manner set forth in Appendix I-2 to this Agreement. For each change in the number of terminations to the ANPP Switchyard, the Hassayampa CRR and PV CRR shall be recomputed promptly and shall be effective upon the in-service date of such termination. Upon completion of such recomputation, the Operating Agent shall revise Appendices I-1 and I-2 in accordance with Article 32.9 herein.

11.5.5. The Operating Agent shall recalculate the Pro Rata Share for the Interconnector upon any increase or decrease in the number of terminations in the Hassayampa Switchyard.

11.5.6. The Operating Agent shall notify Interconnector of any termination notice received from any other Hassayampa Interconnector, as soon as practicable.

11.6. Start-Up and Synchronization.

Consistent with Operating Agent’s acceptable procedures, Interconnection Customer is responsible for the proper synchronization of the Generating Facility to the JPP.
11.7. Reactive Power and Primary Frequency Response.

11.7.1. Power Factor Design Criteria.

11.7.1.1. Synchronous Generation. Interconnection Customer shall design the Generating Facility to maintain a composite power delivery at continuous rated power output at the Point of Interconnection at a power factor within the range of 0.95 leading to 0.95 lagging, unless Operating Agent has established different requirements that apply to all synchronous generators in the Balancing Authority Area on a comparable basis.

11.7.1.2. Non-Synchronous Generation. Interconnection Customer shall design the Generating Facility to maintain a composite power delivery at continuous rated power output at the Point of Interconnection at a power factor within the range of 0.95 leading to 0.95 lagging, unless Operating Agent has established a different power factor range that applies to all non-synchronous generators in the Balancing Authority Area on a comparable basis. This power factor range standard shall be dynamic and can be met using, for example, power electronics designed to supply this level of reactive capability (taking into account any limitations due to voltage level, real power output, etc.) or fixed and switched capacitors, or a combination of the two.

11.7.2. Voltage Schedules.

Once Interconnection Customer has synchronized the Generating Facility with the JPP, Operating Agent shall require Interconnection Customer to operate the Generating Facility to produce or absorb reactive power within the design limitations of the Generating Facility set forth in Article 11.6.1. Operating Agent's voltage schedules shall treat all sources of reactive power in the Balancing Authority Area in an equitable and not unduly discriminatory manner. Operating Agent shall exercise Reasonable Efforts to provide Interconnection Customer with such schedules at least one (1) day in advance, and may make changes to such schedules as necessary to maintain the reliability of the JPP. Interconnection Customer shall operate the Generating Facility to maintain the specified output voltage or power factor at the Point of Interconnection within the design limitations of the Generating Facility set forth in Article 11.6.1. If Interconnection Customer is unable to maintain the specified voltage or power factor, it shall promptly notify the Operating Agent's system operator or its designated representative.

11.7.2.1. Voltage Regulators. Whenever the Generating Facility is operated in parallel with the JPP and voltage regulators are capable of operation, Interconnection Customer shall operate the Generating Facility with its voltage regulators in automatic operation. If the Generating Facility's voltage regulators are not capable of such automatic operation, Interconnection Customer shall immediately notify Operating Agent's system operator, or its designated representative, and ensure that such Generating Facility's reactive power production or absorption (measured in MVARs) are within the design capability of the Generating Facility's generating unit(s) and steady state stability limits. Interconnection Customer shall not cause its Generating Facility to disconnect automatically or instantaneously from the JPP or trip any generating unit comprising the Generating Facility for an under or over frequency condition unless
the abnormal frequency condition persists for a time period beyond the limits set forth in ANSI/IEEE Standard C37.106, or such other standard as applied to other generators interconnected in the Balancing Authority Area on a comparable basis.

11.7.3. Payment for Reactive Power.

Operating Agent is required to pay Interconnection Customer for reactive power that Interconnection Customer provides or absorbs from the Generating Facility only in those instances when Operating Agent requests Interconnection Customer to operate its Generating Facility outside the agreed upon range specified in Article 11.6.1 of this Agreement, provided that Operating Agent pays its own or affiliated generators for reactive power service within the specified range, it must also pay Interconnection Customer. Payments shall be pursuant to Article 11.6 herein or such other agreement to which the Parties have otherwise agreed.

11.7.4. Primary Frequency Response.

Interconnection Customer shall ensure the primary frequency response capability of its Generating Facility by installing, maintaining, and operating a functioning governor or equivalent controls. The term “functioning governor or equivalent controls” as used herein shall mean the required hardware and/or software that provides frequency responsive real power control with the ability to sense changes in system frequency and autonomously adjust the Generating Facility’s real power output in accordance with the droop and deadband parameters and in the direction needed to correct frequency deviations. Interconnection Customer is required to install a governor or equivalent controls with the capability of operating: (1) with a maximum five percent (5%) droop and ±0.036 Hz deadband; or (2) in accordance with the relevant droop, deadband, and timely and sustained response settings from an approved NERC Reliability Standard providing for equivalent or more stringent parameters. The droop characteristic shall be: (1) based on the nameplate capacity of the Generating Facility, and shall be linear in the range of frequencies between 59 to 61 Hz that are outside of the deadband parameter; (2) based on an approved NERC Reliability Standard providing for an equivalent or more stringent parameter. The deadband parameter shall be: the range of frequencies above and below nominal (60 Hz) in which the governor or equivalent controls is not expected to adjust the Generating Facility’s real power output in response to frequency deviations. The deadband shall be implemented: (1) without a step to the droop curve, that is, once the frequency deviation exceeds the deadband parameter, the expected Generating Facility’s real power output in response to frequency deviations shall start from zero and then increase (for under-frequency deviations) or decrease (for over-frequency deviations) linearly in proportion to the magnitude of the frequency deviation; or (2) in accordance with an approved NERC Reliability Standard providing for an equivalent or more stringent parameter. Interconnection Customer shall notify Operating Agent that the primary frequency response capability of the Generating Facility has been tested and confirmed during commissioning. Once Interconnection Customer has synchronized the Generating Facility with the JPP, Interconnection Customer shall operate the Generating Facility consistent with the provisions specified in Sections 11.6.4.1 and 11.6.4.2 of this Agreement. The primary frequency response
requirements contained herein shall apply to both synchronous and non-synchronous Generating Facilities.

11.7.4.1. Governor or Equivalent Controls. Whenever the Generating Facility is operated in parallel with the JPP, Interconnection Customer shall: (1) in coordination with Operating Agent and/or the relevant balancing authority, set the deadband parameter to: (1) a maximum of ±0.036 Hz and set the droop parameter to a maximum of five percent (5%); or (2) implement the relevant droop and deadband settings from an approved NERC Reliability Standard that provides for equivalent or more stringent parameters. Interconnection Customer shall be required to provide the status and settings of the governor or equivalent controls to Operating Agent and/or the relevant Balancing Authority upon request. If Interconnection Customer needs to operate the Generating Facility with its governor or equivalent controls not in service, Interconnection Customer shall immediately notify Operating Agent and the relevant Balancing Authority, and provide both with the following information: (1) the operating status of the governor or equivalent controls (i.e., whether it is currently out of service or when it will be taken out of service); (2) the reasons for removing the governor or equivalent controls from service; and (3) a reasonable estimate of when the governor or equivalent controls will be returned to service. Interconnection Customer shall make Reasonable Efforts to return its governor or equivalent controls into service as soon as practicable. Interconnection Customer shall make Reasonable Efforts to keep outages of the Generating Facility’s governor or equivalent controls to a minimum whenever the Generating Facility is operated in parallel with the JPP.

11.7.4.2. Timely and Sustained Response. Interconnection Customer shall ensure that the Generating Facility’s real power response to sustained frequency deviations outside of the deadband setting is automatically provided and shall begin immediately after frequency deviates outside of the deadband, and to the extent the Generating Facility has operating capability in the direction needed to correct the frequency deviation. Interconnection Customer shall not block or otherwise inhibit the ability of the governor or equivalent controls to respond and shall ensure that the response is not inhibited, except under certain operational constraints including, but not limited to, ambient temperature limitations, physical energy limitations, outages of mechanical equipment, or regulatory requirements. The Generating Facility shall sustain the real power response at least until system frequency returns to a value within the deadband setting of the governor or equivalent controls. A FERC-approved Reliability Standard with equivalent or more stringent requirements shall supersede the above requirements.

11.7.4.3. Exemptions. Generating Facilities that are regulated by the United States Nuclear Regulatory Commission shall be exempt from Articles 11.6.4, 11.6.4.1, and 11.6.4.2 of this Agreement. Generating Facilities that are behind the meter generation that is sized-to-load (i.e., the thermal load and the generation are near-balanced in real-time operation and the generation is primarily controlled to maintain the unique thermal, chemical, or mechanical output necessary for the operating requirements of its host facility) shall be required to install primary frequency response capability in accordance with the droop and deadband capability requirements specified in Article 11.6.4 herein, but shall be otherwise
exempt from the operating requirements in Articles 11.6.4, 11.6.4.1, 11.6.4.2, and 11.6.4.4 herein.

11.7.4.4. Electric Storage Resources. Interconnection Customer interconnecting an Electric Storage Resource shall establish an operating range in Appendix C to this Agreement that specifies a minimum state of charge and a maximum state of charge between which the electric storage resource will be required to provide primary frequency response consistent with the conditions set forth in Articles 11.6.4, 11.6.4.1, 11.6.4.2 and 11.6.4.3 herein. Appendix C shall specify whether the operating range is static or dynamic, and shall consider (1) the expected magnitude of frequency deviations in the interconnection; (2) the expected duration that system frequency will remain outside of the deadband parameter in the interconnection; (3) the expected incidence of frequency deviations outside of the deadband parameter in the interconnection; (4) the physical capabilities of the electric storage resource; (5) operational imitations of the electric storage resource due to manufacturer specifications; and (6) any other relevant factors agreed to by Operating Agent and Interconnection Customer, and in consultation with the relevant transmission owner or Balancing Authority as appropriate. If the operating range is dynamic, then Appendix C to this Agreement must establish how frequently the operating range will be reevaluated and the factors that may be considered during its reevaluation.

Interconnection Customer’s Electric Storage Resource is required to provide timely and sustained primary frequency response consistent with Article 11.6.4.2 herein when it is online and dispatched to inject electricity to the JPP and/or receive electricity from the JPP. This excludes circumstances when the electric storage resource is not dispatched to inject electricity from the JPP. If Interconnection Customer’s Electric Storage Resource is charging at the time of a frequency deviation outside of its deadband parameter, it is to increase (for over-frequency deviations) or decrease (for under-frequency deviations) the rate at which it is charging in accordance with its droop parameter. Interconnection Customer’s Electric Storage Resource is not required to change from charging to discharging, or vice versa, unless the response necessitated by the droop and deadband settings requires it to do so and it is technically capable of making such a transition.

11.8. Outages and Interruptions.

11.8.1. Outages.

11.8.1.1. Outage Authority and Coordination. Each Party may in accordance with Good Utility Practice in coordination with the other Party remove from service any of its respective Interconnection Facilities or Network Upgrade(s) that may impact the other Party’s facilities as necessary to perform maintenance or testing or to install or replace equipment. Absent an Emergency Condition, the Party scheduling a removal of such facility(ies) from service will use Reasonable Efforts to schedule such removal on a date and time mutually acceptable to the Parties. In all circumstances, any Party planning to remove such facility(ies) from service shall use Reasonable Efforts to minimize the effect on the other Party of such removal. Notwithstanding the forgoing, the Operating Agent, in all
circumstances, retains ultimate authority to deny any non-Emergency Condition removal from service.

11.8.1.2. **Outage Schedules.** Operating Agent shall post scheduled outages of its transmission facilities on OASIS. Interconnection Customer shall submit its planned maintenance schedules for the Generating Facility to Operating Agent for a minimum of a rolling twenty-four month period. Interconnection Customer shall update its planned maintenance schedules as necessary. Operating Agent may request Interconnection Customer to reschedule its maintenance as necessary to maintain the reliability of the JPP. Operating Agent shall compensate Interconnection Customer for any additional direct costs that Interconnection Customer incurs as a result of having to reschedule maintenance, including any additional overtime, breaking of maintenance contracts or other costs above and beyond the cost Interconnection Customer would have incurred absent Operating Agent’s request to reschedule maintenance. Interconnection Customer will not be eligible to receive compensation, if during the twelve (12) months prior to the date of the scheduled maintenance, Interconnection Customer had modified its schedule of maintenance activities.

11.8.1.3. **Outage Restoration.** If an outage on a Party’s Interconnection Facilities or Network Upgrade(s) adversely affects the other Party’s operations or facilities, the Party that owns or controls the facility that is out of service shall use Reasonable Efforts to promptly restore such facility(ies) to a normal operating condition consistent with the nature of the outage. The Party that owns or controls the facility that is out of service shall provide the other Party, whose operations or facilities are adversely affected, to the extent such information is known, information on the nature of the Emergency Condition, an estimated time of restoration, and any corrective actions required. Initial verbal notice shall be followed up as soon as practicable with written notice explaining the nature of the outage.

11.8.2. ** Interruption of Service.** If required by Good Utility Practice to do so, Operating Agent may require Interconnection Customer to interrupt or reduce deliveries of electricity if such delivery of electricity could adversely affect Operating Agent’s ability to perform such activities as are necessary to safely and reliably operate and maintain the JPP. The following provisions shall apply to any interruption or reduction permitted under this Article 11.7.2:

11.8.2.1. The interruption or reduction shall continue only for so long as reasonably necessary under Good Utility Practice;

11.8.2.2. Any such interruption or reduction shall be made on an equitable, non-discriminatory basis with respect to all generating facilities directly connected to the JPP if doing so will resolve the reasons for any given problem.

11.8.2.3. When the interruption or reduction must be made under circumstances which do not allow for advance notice, Operating Agent shall notify Interconnection Customer by telephone as soon as practicable of the reasons for the curtailment, interruption, or reduction, and, if known, its expected duration.
Telephone notification shall be followed by written notification as soon as practicable.

11.8.2.4. Except during the existence of an Emergency Condition, when the interruption or reduction can be scheduled without advance notice, Operating Agent shall notify Interconnection Customer in advance regarding the timing of such scheduling and further notify Interconnection Customer of the expected duration. Operating Agent shall use Reasonable Efforts to coordinate with Interconnection Customer using Good Utility Practice to schedule the interruption or reduction during periods of least impact to Interconnection Customer and the JPP;

11.8.2.5. The Parties shall cooperate and coordinate with each other to the extent necessary in order to restore the Generating Facility, Interconnection Facilities, and the JPP to their normal operating state, consistent with system conditions and Good Utility Practice.

11.8.3. Under-Frequency and Over-Frequency Conditions.

The JPP is designed to automatically activate a load-shed program as required by the Applicable Reliability Standards in the event of an under-frequency system disturbance. Interconnection Customer shall implement under-frequency and over-frequency relay set points for the Generating Facility as required by the Applicable Reliability Standards to ensure “ride through” capability of the JPP. Generating Facility response to frequency deviations of pre-determined magnitudes, both under-frequency and over-frequency deviations, shall be studied and coordinated with the Operating Agent in accordance with Good Utility Practice. The term “ride through” as used herein shall mean the ability of a Generating Facility to stay connected to and synchronized with the JPP during system disturbances within a range of under-frequency and over-frequency conditions, in accordance with Good Utility Practice.

11.8.4. System Protection and Other Control Requirements.

11.8.4.1. System Protection Facilities. Interconnection Customer shall, at its expense, install, operate and maintain System Protection Facilities as a part of the Generating Facility or Interconnection Customer’s Interconnection Facilities. Operating Agent shall install at Interconnection Customer’s expense any System Protection Facilities that may be required on JPP Interconnection Facilities as a result of the interconnection of the Generating Facility and Interconnection Customer’s Interconnection Facilities.

11.8.4.2. Each Party’s System Protection Facilities shall be designed and coordinated with other systems in accordance with Good Utility Practice.

11.8.4.3. Each Party shall be responsible for protection of its facilities consistent with Good Utility Practice.

11.8.4.4. Each Party’s protective relay design shall incorporate the necessary test switches to perform the tests required in Article 8 of this Agreement. The required test switches will be placed such that they allow operation of lockout relays while preventing breaker failure schemes from operating and causing
unnecessary breaker operations and/or the tripping of Interconnection Customer’s units.

11.8.4.5. Each Party will test, operate, and maintain its respective System Protection Facilities in accordance with Good Utility Practice.

11.8.4.6. Prior to the In-Service Date, and again prior to the Initial Synchronization Date, each Party or its agent shall perform a complete calibration test and functional trip test of its respective System Protection Facilities. At intervals suggested by Good Utility Practice and following any apparent malfunction of the System Protection Facilities, each Party shall perform both calibration and functional trip tests of its respective System Protection Facilities. These tests do not require the tripping of any in-service generation unit. These tests do, however, require that all protective relays and lockout contacts be activated.

11.8.5. Requirements for Protection.

In compliance with Good Utility Practice, Interconnection Customer shall provide, install, own, and maintain relays, circuit breakers and all other devices necessary to remove any fault contribution of the Generating Facility to any short circuit occurring on the JPP not otherwise isolated by the JPP’s equipment, such that the removal of the fault contribution shall be coordinated with the protective requirements of the JPP. Such protective equipment shall include, without limitation, a disconnecting device or switch with load-interrupting capability located between the Generating Facility and the JPP at a site selected upon mutual agreement (not to be unreasonably withheld, conditioned or delayed) of the Parties. Interconnection Customer shall be responsible for protection of the Generating Facility and Interconnection Customer’s other equipment from such conditions as negative sequence currents, over- or under-frequency, sudden load rejection, over- or under-voltage, and generator loss-of-field. Interconnection Customer shall be solely responsible to disconnect the Generating Facility and Interconnection Customer’s other equipment if conditions on the JPP could adversely affect the Generating Facility.

11.8.6. Power Quality.

Neither Party’s facilities shall cause excessive voltage flicker nor introduce excessive distortion to the sinusoidal voltage or current waves as defined by the most current electrical standards and SRP’s Business Practice posted on OASIS.

11.9. Switching and Tagging Rules.

Operating Agent shall provide Interconnection Customer a copy of its switching and tagging rules that are applicable to the activities. Such switching and tagging rules shall be developed on a non-discriminatory basis. The Parties shall comply with applicable switching and tagging rules, as amended from time to time, in obtaining clearances for work or for switching operations on equipment.
11.10. Use of Interconnection Facilities by Third Parties.

11.10.1. Purpose of Interconnection Facilities.

Except as may be required by Applicable Laws and Regulations, or as provided for in applicable JPP participation, ownership or operating agreements among the Joint Participants, or as otherwise agreed to among the Parties herein or hereafter, the Interconnection Facilities shall be constructed for the sole purpose of interconnecting the Generating Facility to the JPP and shall be used for no other purpose.

11.10.2. Third Party Users.

If required by Applicable Laws and Regulations, or if the Parties mutually agree, such agreement not to be unreasonably withheld, to allow one or more third parties to use the JPP Interconnection Facilities, or any part thereof, Interconnection Customer will be entitled to compensation for the capital expenses it incurred in connection with JPP Interconnection Facilities based upon the pro rata use of such JPP Interconnection Facilities by Joint Participants, all third party users, and Interconnection Customer in accordance with the Applicable Laws and Regulations or upon some other mutually-agreed upon methodology.

In addition, cost responsibility for Capital Improvements and ongoing costs, including operation and maintenance costs associated with such JPP Interconnection Facilities will be allocated between Interconnection Customer and any third party users based upon the pro rata use of the Interconnection Facilities by Joint Participants, all third party users, and Interconnection Customer, in accordance with Applicable Laws and Regulations or upon some other mutually agreed upon methodology, and in accordance with Appendix J to this Agreement.

11.11. Disturbance Analysis Data Exchange.

The Parties will cooperate with one another in the analysis of disturbances to either the Generating Facility or JPP by gathering and providing access to any technical information relating to any disturbance, including information from oscillography, protective relay targets, breaker operations and sequence of events records, and any disturbance information required by Good Utility Practice.


To the extent not prohibited by Law, any interconnection agreement that permits a Hassayampa Interconnector that (i) is not a party to the Funding Agreement to interconnect to the Hassayampa Switchyard, or (ii) is a party to the Funding Agreement, but requests an additional connection to the Hassayampa Switchyard not provided for in the Funding Agreement, shall contain a provision that such Hassayampa Interconnector shall be responsible for and required to pay, within thirty (30) calendar days of the Effective Date, its Pro Rata Share (calculated with the inclusion of its requested interconnection(s)) of all Construction Costs associated with the development of the Hassayampa Switchyard and the cost of any Capital Improvements made to the Common Bus for which the other Hassayampa Interconnectors which are parties to the Funding Agreement paid or are responsible to pay under their interconnection agreements. Such a Hassayampa Interconnector making a Pro Rata Share payment shall receive a Pro Rata Share (calculated without the inclusion of such interconnector) of any such payments received. In the event that a
Hassayampa Interconnector incurs costs in association with the accommodation of outages necessary for the initial connection of any future Hassayampa Interconnector that (i) is not a party to the Funding Agreement, or (ii) is a party to the Funding Agreement, but requests an additional connection to the Hassayampa Switchyard not provided for in the Funding Agreement, the Hassayampa Interconnector shall be entitled to seek reimbursement of such costs from such future Hassayampa Interconnector. Such costs shall be determined in accordance with Good Utility Practice and Applicable Requirements. Each Hassayampa Interconnector shall use reasonable efforts to minimize the costs incurred.


12.1. Joint Participants Obligations.

The Operating Agent shall maintain the JPP and JPP Interconnection Facilities in a safe and reliable manner and in accordance with this Agreement.

12.2. Interconnection Customer Obligations.

Interconnection Customer shall maintain the Generating Facility and ICIF in a safe and reliable manner and in accordance with this Agreement.

12.3. Coordination.

The Parties shall confer regularly to coordinate the planning, scheduling and performance of preventive and corrective maintenance on the Generating Facility and the Interconnection Facilities. The Operating Agent shall be the point of contact for the Joint Participants.


Each Party shall cooperate with the other in the inspection, maintenance, and testing of control or power circuits that operate below 600 volts, AC or DC, including, but not limited to, any hardware, control or protective devices, cables, conductors, electric raceways, secondary equipment panels, transducers, batteries, chargers, and voltage and current transformers that directly affect the operation of a Party’s facilities and equipment which may reasonably be expected to impact the other Party. Each Party shall provide advance notice to the other Party before undertaking any work on such circuits, especially on electrical circuits involving circuit breaker trip and close contacts, current transformers, or potential transformers.

12.5. Operating and Maintenance Expenses.

Subject to the provisions herein addressing the use of facilities by others, and except for operations and maintenance expenses associated with modifications made for providing interconnection to a third party and such third party pays for such expenses, Interconnection Customer shall be responsible for a pro rata share of all reasonable expenses including overheads, associated with: (1) owning, operating, maintaining, repairing, and replacing Interconnection Customer's Interconnection Facilities; and (2) operation, maintenance, repair and replacement of JPP Interconnection Facilities and Common Facilities determined by the CRR as set forth in Appendix I to this Agreement. Interconnection Customer shall also be responsible for all costs associated with owning, operating, maintain, repairing, and replacing Interconnection Customer's Interconnection Facilities. If in the future, a third party, or any Party, is to interconnect to the JPP, the cost responsibilities for operations, maintenance and replacement are to be
12.5.1. Payment for Use of Common Facilities.

If the Interconnection Customer is interconnecting into a pre-existing switchyard/substation, the Interconnection Customer shall make the Common Facilities Use Fee payment to the Operating Agent in accordance with the formula set forth in Appendix H-2 to this Agreement prior to the In-service Date. A similar Common Facilities Use Fee will be assessed to each future interconnection to the switchyard/substation consistent with this Article 12.5 and Interconnection Customer will be reimbursed a pro rata share of those fees utilizing the same methodology as set forth in Appendix J to this Agreement.

12.5.2. Interconnection Customer Cost Responsibilities.

Subject to the provisions herein addressing the use of facilities by others, and except for operations and maintenance expenses associated with modifications made for providing interconnection to a third party and such third party pays for such expenses, Interconnection Customer shall be responsible for:

(i) All expenses associated with owning, operating, maintaining, repairing, and replacing Interconnection Customer’s Interconnection Facilities;

(ii) The Interconnection Customer Cost Responsibility (CRR) share of all expenses including overheads, associated with insurance costs, operation, maintenance, repair, replacement, enlargement or betterment of any unit of property or equipment pertaining to or associated with the JPP’s Common Facilities, JPP Interconnection Facilities, all other interconnection facilities within the substation/switchyard. Such Interconnection Customer’s CRR shall be calculated as set forth in Appendix H-2 to this Agreement. Notwithstanding anything to the contrary in the preceding sentence, costs for Capital Improvements to the JPP Interconnection Facilities, which are requested by the Interconnection Customer, shall be the sole responsibility of the Interconnection Customer.

(iii) The CRR shall be recomputed by Operating Agent in accordance with Appendix I to this Agreement to reflect the installation of any additional Connection(s) at the substation/switchyard and shall be effective upon the date of firm operation thereof. Upon completion of such recalculated, Operating Agent shall revise Appendix I to this Agreement to reflect the then current CRRs.

(iv) In accordance with Article 14 herein and the specific payment provisions of each appendix to this Agreement, on or before the In-Service Date, the Interconnection Customer shall make, cause to be made, or provide evidence of payment of the
Mitigation Facility Fee in accordance with the formulas set forth in Appendix K to this Agreement to Operating Agent.


13.1. Interconnection Customer’s Interconnection Facilities.

Interconnection Customer shall design, procure, construct, install, own and/or control Interconnection Customer’s Interconnection Facilities described in Appendix A to this Agreement, at its sole expense.

13.2. JPP Interconnection Facilities.

Joint Participants, through Operating Agent, shall design, procure, construct, install, own and/or control the JPP Interconnection Facilities described in Appendix A to this Agreement, at the sole expense of the Interconnection Customer.

13.3. Network Upgrade(s) and Distribution Upgrade(s).

Joint Participants, through Operating Agent, shall design, procure, construct, install, and own the Network Upgrade(s) and Distribution Upgrade(s) described in Appendix A to this Agreement. The Interconnection Customer shall be responsible for all costs related to Network Upgrade(s) and Distribution Upgrade(s).

13.4. Shared Network Upgrade(s).

Interconnection Customer shall pay Operating Agent for Shared Network Upgrade(s) identified pursuant to Section 5.3 of the GIP and memorialized in Appendix A of this Agreement. Payments shall be made in accordance with Section 3.5 of the GIP.

Operating Agent subsequently shall disburse the payment for Shared Network Upgrade(s) to appropriate Interconnection Customer(s) from an earlier Cluster(s) with previously assigned costs associated with the Shared Network Upgrade(s) in accordance with Section 5.3 of the GIP. If the Shared Network Upgrade(s) is not in service, Interconnection Customer shall not be required to make a payment under Section 5.3 of the GIP until the Shared Network Upgrade(s) is in service. In the event that Interconnection Customer fails to meet its obligation to fund Shared Network Upgrade(s), Operating Agent shall not be responsible for Interconnection Customer’s funding obligation.


Unless Joint Participants provide, under this Agreement, for the pro rata repayment of amounts advanced to an Affected System Operator for Affected System upgrades by any one or more Joint Participants so obligated to do so, Interconnection Customer and the Affected System Operator shall enter into an agreement that provides for such repayment. The agreement shall specify the terms governing payments to be made by Interconnection Customer to the Affected System Operator as well as the repayment by the Affected System Operator.

Notwithstanding any other provision of this Agreement, nothing herein shall be construed as relinquishing or foreclosing any rights, including but not limited to firm transmission rights, capacity rights, transmission congestion rights, or transmission credits, that Interconnection Customer,
shall be entitled to, now or in the future under any other agreement or tariff as a result of, or otherwise associated with, the transmission capacity, if any, created by the Network Upgrade(s), including the right to obtain cash reimbursements or transmission credits for transmission service that is not associated with the Generating Facility.


At least thirty (30) Calendar Days prior to the commencement of the procurement, installation, or construction of a discrete portion of a JPP Interconnection Facilities, Network Upgrade(s), or Distribution Upgrade(s), Interconnection Customer shall provide Operating Agent a guarantee, a surety bond, letter of credit or other form of security that is reasonably acceptable to Joint Participants. Such security for payment shall be in an amount sufficient to cover the costs for constructing, procuring and installing the applicable portion of JPP Interconnection Facilities, Network Upgrade(s), or Distribution Upgrade(s) and shall be reduced on a dollar-for-dollar basis for payments made to Joint Participants for these purposes.

In addition:

13.6.1. The guarantee must be made by an entity that meets the creditworthiness requirements of Operating Agent pursuant to the JPP governing agreements or as reasonably determined by the E&O Committee, and contain terms and conditions that guarantee payment of any amount that may be due from Interconnection Customer, up to an agreed-to maximum amount.

13.6.2. The letter of credit must be issued by a financial institution reasonably acceptable to Operating Agent and must specify a reasonable expiration date.

13.6.3. The surety bond must be issued by an insurer reasonably acceptable to Operating Agent and must specify a reasonable expiration date.


If the Joint Participants request or direct Interconnection Customer to provide a service pursuant to Sections 11.6.3 or 15.4.1 of this Agreement, the Joint Participants shall compensate Interconnection Customer in accordance with Interconnection Customer’s applicable rate schedule then in effect. To the extent that no rate schedule is in effect at the time the Interconnection Customer is required to provide or absorb any Reactive Power under this Agreement, the Joint Participants agree to compensate Interconnection Customer in such amount as would have been due Interconnection Customer had the rate schedule been in effect at the time service commenced; provided, however, that such rate schedule must be filed at FERC or other appropriate Governmental Authority within sixty (60) Calendar Days of the commencement of service.

13.7.1. Interconnection Customer Compensation for Actions During Emergency Condition.

The Joint Participants shall compensate Interconnection Customer for its provision of real and reactive power and other Emergency Condition services that Interconnection Customer provides to support the Joint Participants during an Emergency Condition in accordance with Article 15.
13.8. Facility Connection Requirements

All Interconnection Customers are required to follow the requirements of the Facility Connection Requirements Business Practice, posted on OASIS, based upon the type of generation.

13.9. Data Modeling Requirements for Inverter-Based Resources

Operating Agent requires Interconnection Customer with Inverter-Based Resources to submit all modeling data listed in SRP’s Business Practice as posted on OASIS.


Each Party shall submit to the other Party, on a monthly basis, invoices of amounts due for the preceding month. Each invoice shall state the month to which the invoice applies and fully describe the services and equipment provided. The Parties may discharge mutual debts and payment obligations due and owing to each other on the same date through netting, in which case all amounts a Party owes to the other Party under this Agreement, including interest payments or credits, shall be netted so that only the net amount remaining due shall be paid by the owing Party.

14.2. Final Invoice.

Within six months after completion of the construction of JPP Interconnection Facilities and the Network Upgrade(s), Operating Agent shall provide an invoice of the final cost of the construction of JPP Interconnection Facilities and the Network Upgrade(s) and shall set forth such costs in sufficient detail to enable Interconnection Customer to compare the actual costs with the estimates and to ascertain deviations, if any, from the cost estimates. Operating Agent shall refund to Interconnection Customer any amount by which the actual payment by Interconnection Customer for estimated costs exceeds the actual costs of construction within thirty (30) Calendar Days of the issuance of such final construction invoice.

14.3. Payment.

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

14.4. Disputes.

In the event of a billing dispute between Operating Agent and Interconnection Customer, Operating Agent shall continue to provide Interconnection Service under this Agreement as long as Interconnection Customer: (i) continues to make all payments not in dispute; and (ii) pays to Operating Agent or into an independent escrow account the portion of the invoice in dispute, pending resolution of such dispute. If Interconnection Customer fails to meet these two requirements for continuation of service, then Operating Agent may provide notice to Interconnection Customer of a Default pursuant to Article 22. Within thirty (30) Calendar Days...
after the resolution of the dispute, the Party that owes money to the other Party shall pay the amount due with interest, if applicable and if so, with such interest calculated in accord with the methodology set forth in FERC’s regulations at 18 C.F.R. § 35.19a(a)(2)(iii) or other applicable methodology.

**Article 15. Emergencies.**

**15.1. Obligations.**

Each Party shall comply with the Emergency Condition procedures of the applicable Independent System Operator (ISO)/Regional Transmission Organization (RTO), if any, NERC, Applicable Reliability Standards, and any additional emergency procedures agreed to by the Joint Operating Committee.

**15.2. Notice.**

Operating Agent shall notify Interconnection Customer promptly when it becomes aware of an Emergency Condition that affects JPP Interconnection Facilities or the JPP that may reasonably be expected to affect Interconnection Customer’s operation of the Generating Facility or Interconnection Customer’s Interconnection Facilities. Interconnection Customer shall notify Operating Agent promptly when it becomes aware of an Emergency Condition that affects the Generating Facility or Interconnection Customer’s Interconnection Facilities that may reasonably be expected to affect the JPP or JPP Interconnection Facilities. To the extent information is known, the notification shall describe the Emergency Condition, the extent of the damage or deficiency, the expected effect on the operation of Interconnection Customer’s or JPP’s facilities and operations, its anticipated duration and the corrective action taken and/or to be taken. The initial notice shall be followed as soon as practicable with written notice.

**15.3. Immediate Action.**

Unless, in Interconnection Customer’s reasonable judgment, immediate action is required, Interconnection Customer shall obtain the consent of Operating Agent, such consent to not be unreasonably withheld, prior to performing any manual switching operations at the Generating Facility or Interconnection Customer’s Interconnection Facilities in response to an Emergency Condition either declared by Operating Agent or otherwise regarding the JPP.

**15.4. Joint Participants Authority.**

**15.4.1. General.**

Operating Agent may take whatever actions or inactions with regard to the JPP or JPP Interconnection Facilities it deems necessary during an Emergency Condition in order to: (i) preserve public health and safety; (ii) preserve the reliability of the JPP or JPP Interconnection Facilities (iii) limit or prevent damage; and (iv) expedite restoration of service.

Operating Agent shall use Reasonable Efforts to minimize the effect of such actions or inactions on the Generating Facility or Interconnection Customer’s Interconnection Facilities. Operating Agent may, on the basis of technical considerations, require the Generating Facility to mitigate an Emergency Condition by taking actions necessary and limited in scope to remedy the Emergency Condition, including, but not limited to, directing
Interconnection Customer to shut-down, start-up, increase or decrease the real or reactive power output of the Generating Facility; implementing a reduction or disconnection pursuant to Article 15.5.2; directing Interconnection Customer to assist with black start (if available) or restoration efforts; or altering the outage schedules of the Generating Facility and Interconnection Customer’s Interconnection Facilities. Interconnection Customer shall comply with all of Operating Agent’s operating instructions concerning Generating Facility real power and reactive power output within the manufacturer’s design limitations of the Generating Facility’s equipment that is in service and physically available for operation at the time, in compliance with Applicable Laws and Regulations and Applicable Reliability Standards.

15.4.2. Reduction and Disconnection.

Operating Agent may reduce Interconnection Service or disconnect the Generating Facility or Interconnection Customer’s Interconnection Facilities, when such reduction or disconnection is necessary under Good Utility Practice due to Emergency Conditions. These rights are separate and distinct from any right of curtailment of any Joint Participant pursuant to its respective open access transmission tariff. When Operating Agent can schedule the reduction or disconnection in advance, Operating Agent shall notify Interconnection Customer of the reasons, timing and expected duration of the reduction or disconnection. Operating Agent shall coordinate with Interconnection Customer using Good Utility Practice to schedule the reduction or disconnection during periods of least impact to Interconnection Customer and the JPP. Any reduction or disconnection shall continue only for so long as reasonably necessary under Good Utility Practice. The Parties shall cooperate with each other to restore the Generating Facility, the Interconnection Facilities, and the JPP to their normal operating state as soon as practicable consistent with Good Utility Practice.

15.5. Interconnection Customer Authority.

Consistent with Good Utility Practice, Applicable Reliability Standards and this Agreement, Interconnection Customer may take actions or inactions with regard to the Generating Facility or Interconnection Customer’s Interconnection Facilities during an Emergency Condition in order to: (i) preserve public health and safety; (ii) preserve the reliability of the Generating Facility or Interconnection Customer’s Interconnection Facilities; (iii) limit or prevent damage; and (iv) expedite restoration of service. Interconnection Customer shall use Reasonable Efforts to minimize the effect of such actions or inactions on the JPP and JPP Interconnection Facilities.


Except as otherwise provided in Article 13.6.1 of this Agreement, neither Party shall be liable to the other for any action it takes in responding to an Emergency Condition so long as such action is made in good faith and is consistent with Good Utility Practice.


Each Party’s obligations under this Agreement shall be subject to its receipt of any required approval or certificate from one or more Governmental Authorities in the form and substance satisfactory to the applying Party, or the Party making any required filings with, or providing notice.
to, such Governmental Authorities, and the expiration of any time period associated therewith. Each Party shall in good faith seek and use its Reasonable Efforts to obtain such other approvals. Nothing in this Agreement shall require any Party to take any action that could result in its inability to obtain, or its loss of, status or exemption under the Federal Power Act, the Public Utility Holding Company Act of 1935, as amended, or the Public Utility Regulatory Policies Act of 1978.

16.2. Governing Law.

16.2.1. The validity, interpretation and performance of this Agreement and each of its provisions shall be governed by the laws of the state where the Point of Interconnection is located, without regard to its conflicts of law principles.

16.2.2. This Agreement is subject to all Applicable Laws and Regulations. Each Party expressly reserves the right to seek changes in, appeal, or otherwise contest any laws, orders, rules, or regulations of a Governmental Authority. Nothing in this Agreement shall be meant to imply or cede jurisdiction to FERC or any other regulatory entity, to the extent that FERC or other regulatory entity does not have jurisdiction over a Party to this Agreement. FERC and other regulatory entities have limited jurisdiction over certain Parties and, by executing this Agreement, no Party is waiving or conceding any defenses it has to assert jurisdictional defenses, including, but not limited to, sovereign immunity, intergovernmental immunities, or lack of subject matter jurisdiction.

Article 17. Notices.

17.1. General.

Unless otherwise provided in this Agreement, any notice, demand or request required or permitted to be given by either Party to the other and any instrument required or permitted to be tendered or delivered by either Party in writing to the other shall be effective when delivered and may be so given, tendered or delivered, by recognized national courier, or by depositing the same with the United States Postal Service with postage prepaid, for delivery by certified or registered mail, addressed to the Party, or personally delivered to the Party, at the address set out in Appendix F to this Agreement.

Interconnection Customer and Operating Agent may change the notice information in this Agreement by giving five (5) Business Days written notice prior to the effective date of the change.

17.2. Billings and Payments.

Billings and payments shall be sent to the addresses set out in Appendix F to this Agreement.

17.3. Alternative Forms of Notice.

Any notice or request required or permitted to be given by a Party to the other and not required by this Agreement to be given in writing may be so given by telephone, facsimile or email to the telephone numbers and email addresses set out in Appendix F to this Agreement.
17.4. Operations and Maintenance Notice.

Each Party shall notify the other Party in writing of the identity of the person(s) that it designates as the point(s) of contact with respect to the implementation of Articles 9 and 10.

Article 18. Force Majeure.

18.1. Force Majeure.

18.1.1. Economic hardship is not considered a Force Majeure event.

18.1.2. Neither Party shall be considered to be in Default with respect to any obligation hereunder, (including obligations under Article 5), other than the obligation to pay money when due, if prevented from fulfilling such obligation by Force Majeure. A Party unable to fulfill any obligation hereunder (other than an obligation to pay money when due) by reason of Force Majeure shall give notice and the full particulars of such Force Majeure to the other Party in writing or by telephone as soon as reasonably possible after the occurrence of the cause relied upon. Telephone notices given pursuant to this Article shall be confirmed in writing as soon as reasonably possible and shall specifically state full particulars of the Force Majeure, the time and date when the Force Majeure occurred and when the Force Majeure is reasonably expected to cease. The Party affected shall exercise due diligence to remove such disability with reasonable dispatch, but shall not be required to accede or agree to any provision not satisfactory to it in order to settle and terminate a strike or other labor disturbance.


19.1. Default.


No Default shall exist where such failure to discharge an obligation (other than the payment of money) is the result of Force Majeure as defined in this Agreement or the result of an act of omission of the other Party. Upon a Breach, the non-breaching Party shall give written notice of such Breach to the breaching Party. Except as provided in Article 19.1.2, the breaching Party shall have thirty (30) Calendar Days from receipt of the Default notice within which to cure such Breach; provided however, if such Breach is not capable of cure within thirty (30) Calendar Days, the breaching Party shall commence such cure within thirty (30) Calendar Days after notice and continuously and diligently complete such cure within ninety (90) Calendar Days from receipt of the Default notice; and, if cured within such time, the Breach specified in such notice shall cease to exist.

19.1.2. Right to Terminate.

If a Breach is not cured as provided in this Article, or if a Breach is not capable of being cured within the period provided for herein, the non-breaching Party shall have the right to declare a Default and terminate this Agreement by written notice at any time until cure occurs, and be relieved of any further obligation hereunder and, whether or not that Party terminates this Agreement, to recover from the breaching Party all amounts due hereunder, plus all other
Article 20. Indemnity, Consequential Damages and Insurance.

20.1. Indemnity.

Each Party shall at all times indemnify, defend, and hold the other Party (Indemnified Party) harmless from, any and all damages, losses, claims, demand, suits, recoveries, costs and expenses, court costs, attorney fees, and all other obligations by or to third parties, arising out of or resulting from the other Party’s action or inactions of its obligations under this Agreement on behalf of the Indemnifying Party, except in cases of gross negligence or intentional wrongdoing by the indemnified Party.

20.1.1. Indemnified Party.

If an Indemnified Party is entitled to indemnification under this Article 20 as a result of a claim by a third party, and the Indemnifying Party fails, after notice and reasonable opportunity to proceed under Section 20.1, to assume the defense of such claim, such Indemnified Person may at the expense of the Indemnifying Party contest, settle or consent to the entry of any judgment with respect to, or pay in full, such claim.

20.1.2. Indemnifying Party.

If an Indemnifying Party is obligated to indemnify and hold any Indemnified Person harmless under this Article 20, the amount owing to the Indemnified Person shall be the amount of such Indemnified Person’s actual Loss, net of any insurance or other recovery.

20.1.3. Indemnity Procedures.

Promptly after receipt by an Indemnified Person of any claim or notice of the commencement of any action or administrative or legal proceeding or investigation as to which the indemnity provided for in Section 20.1 may apply, the Indemnified Person shall notify the Indemnifying Party of such fact. Any failure of or delay in such notification shall not affect a Party’s indemnification obligation unless such failure or delay is materially prejudicial to the Indemnifying Party.

The Indemnifying Party shall have the right to assume the defense thereof with counsel designated by such Indemnifying Party and reasonably satisfactory to the Indemnified Person. If the defendants in any such action include one or more Indemnified Persons and the Indemnifying Party and if the Indemnified Person reasonably concludes that there may be legal defenses available to it and/or other Indemnified Persons which are different from or additional to those available to the Indemnifying Party, the Indemnified Person shall have the right to select separate counsel to assert such legal defenses and to otherwise participate in the defense of such action on its own behalf. In such instances, the Indemnifying Party shall only be required to pay the fees and expenses of one additional attorney to represent an Indemnified Person or Indemnified Persons having such differing or additional legal defenses.

The Indemnified Person shall be entitled, at its expense, to participate in any such action, suit or proceeding, the defense of which has been assumed by the Indemnifying Party. 
Notwithstanding the foregoing, the Indemnifying Party (i) shall not be entitled to assume and control the defense of any such action, suit or proceedings if and to the extent that, in the opinion of the Indemnified Person and its counsel, such action, suit or proceeding involves the potential imposition of criminal liability on the Indemnified Person, or there exists a conflict or adversity of interest between the Indemnified Person and the Indemnifying Party, in such event the Indemnifying Party shall pay the reasonable expenses of the Indemnified Person, and (ii) shall not settle or consent to the entry of any judgment in any action, suit or proceeding without the consent of the Indemnified Person, which shall not be reasonably withheld, conditioned or delayed.

20.2. Consequential Damages.

In no event shall either Party be liable under any provision of this Agreement for any losses, damages, costs or expenses for any special, indirect, incidental, consequential, or punitive damages, including but not limited to loss of profit or revenue, loss of the use of equipment, cost of capital, cost of temporary equipment or services, whether based in whole or in part in contract, in tort, including negligence, strict liability, or any other theory of liability.

20.3. Insurance.

Each of the Operating Agent, on behalf of Joint Participants, and the Interconnection Customer shall, at its own expense, maintain in force throughout the period of this Agreement, and until released by the other Party, the following minimum insurance coverages with insurers authorized to do business in the state where the Point of Interconnection is located:

20.3.1. Employer’s Liability and Workers’ Compensation Insurance providing statutory benefits in accordance with the laws and regulations of the state in which the Point of Interconnection is located.

20.3.2. Commercial General Liability Insurance including premises and operations, personal injury, broad form property damage, broad form blanket contractual liability coverage (including coverage for the contractual indemnification) products and completed operations coverage, coverage for explosion, collapse and underground hazards, independent contractors coverage, coverage for pollution to the extent normally available and punitive damages to the extent normally available and a cross liability endorsement, with minimum limits of One Million Dollars ($1,000,000) per occurrence/One Million Dollars ($1,000,000) aggregate combined single limit for personal injury, bodily injury, including death and property damage.

20.3.3. Comprehensive Automobile Liability Insurance for cover of owned and non-owned and hired vehicles, trailers, or semi-trailers designed for travel on public roads, with a minimum, combined single limit of One Million Dollars ($1,000,000) per occurrence for bodily injury, including death, and property damage.

20.3.4. Excess Liability Insurance over and above the Employers’ Liability, Commercial General Liability and Comprehensive Automobile General Liability coverage, with a minimum combined single limit of Twenty Million Dollars ($20,000,000) per occurrence/Twenty Million Dollars ($20,000,000) aggregate.
20.3.5. The Commercial General Liability Insurance, Comprehensive Automobile Insurance and Excess Liability Insurance policies shall name the other Party, its parent, associated and Affiliate companies and their respective directors, officers, agents, servants and employees (Other Party Group) as additional insured. All policies shall contain provisions whereby insurers waive all rights of subrogation in accordance with the provisions of this Agreement against the Other Party Group.

20.3.6. The Commercial General Liability Insurance, Comprehensive Automobile Insurance and Excess Liability Insurance policies shall contain provisions that specify that the policies are primary and shall apply to such extent without consideration for other policies separately carried and shall state that each insured is provided coverage as though a separate policy had been issued to each, except that insurer's liability shall not be increased beyond the amount for which the insurer would have been liable had only one insured been covered. Each Party shall be responsible for its respective deductibles or retentions.

20.3.7. The Commercial General Liability Insurance, Comprehensive Automobile Insurance and Excess Liability Insurance policies, if written on a Claims First Made Basis, shall be maintained in full force and effect for two (2) years after termination of this Agreement, which coverage may be in the form of tail coverage or extended reporting period coverage if agreed by the Parties.

20.3.8. The requirements contained herein as to the types and limits of all insurance to be maintained by the Parties are not intended to and shall not in any manner, limit or qualify the liabilities and obligations assumed by the Parties under this Agreement.

20.3.9. Within ten (10) days following execution of this Agreement, and as soon as practicable after the end of each fiscal year or at the renewal of the insurance policy and in any event within ninety (90) days thereafter, each Party shall provide certification of all insurance required in this Agreement, executed by each insurer or by an authorized representative of each insurer.

20.3.10. Notwithstanding the foregoing, each Party may self-insure to meet the minimum insurance requirements of Article 20.3.1 through 20.3.8 to the extent it maintains a self-insurance program; provided that, such Party's senior secured debt is rated at investment grade or better by Standard & Poor's and that its self-insurance program meets the minimum insurance requirements of Articles 20.3.1 through 20.3.8. For any period of time that a Party's senior secured debt is unrated by Standard & Poor's or is rated at less than investment grade by Standard & Poor's, such Party shall comply with the insurance requirements applicable to it under Articles 20.3.1 through 20.3.9. In the event that a Party is permitted to self-insure pursuant to this Article, it shall notify the other Party that it meets the requirements to self-insure and that its self-insurance program meets the minimum insurance requirements in a manner consistent with that specified in Article 20.3.9.

The Parties agree to report to each other in writing as soon as practical all accidents or occurrences resulting in injuries to any person, including death, and any property damage arising out of this Agreement.
Article 21. Assignment.

This Agreement may be assigned by either Party only with the written consent of the other either Party may assign this Agreement without the consent of the other Party to any Affiliate of the assigning Party with an equal or greater credit rating and with the legal authority and operational ability to satisfy the obligations of the assigning Party under this Agreement; and provided further that Interconnection Customer shall have the right to assign this Agreement, without the consent of Operating Agent, for collateral security purposes to aid in providing financing for the Generating Facility, provided that Interconnection Customer will promptly notify Operating Agent of any such assignment. Any financing arrangement entered into by Interconnection Customer pursuant to this Article will provide that prior to or upon the exercise of the secured party’s, trustee’s or mortgagee’s assignment rights pursuant to said arrangement, the secured creditor, the trustee or mortgagee will notify Operating Agent of the date and particulars of any such exercise of assignment right(s), including providing Operating Agent with proof that it meets the requirements of Articles 13.6 and 20.3. Any attempted assignment that violates this Article is void and ineffective. Any assignment under this Agreement shall not relieve a Party of its obligations, nor shall a Party’s obligations be enlarged, in whole or in part, by reason thereof. Where required, consent to assignment will not be unreasonably withheld, conditioned or delayed.

Article 22. Severability.

If any provision in this Agreement is finally determined to be invalid, void or unenforceable by any court or other Governmental Authority having jurisdiction, such determination shall not invalidate, void or make unenforceable any other provision, agreement or covenant of this Agreement. If Interconnection Customer (or any third party, but only if such third party is not acting at the direction of Operating Agent) seeks and obtains such a final determination with respect to any provision of Article 5.1.2 or Article 5.1.4 of this Agreement, then none of these provisions shall thereafter have any force or effect and the Parties’ rights and obligations shall be governed solely by Article 5.1.1 of this Agreement.

Article 23. Comparability.

The Parties will comply with all applicable comparability laws, rules and regulations, as amended from time to time.


The Parties agree to protect Confidential Information and not to release or disclose it, except as allowed by this Agreement.

Confidential Information shall include, without limitation, all information relating to a Party’s technology, research and development, business affairs, and pricing, and any information supplied by either of the Parties to the other prior to the execution of this Agreement.

Information is Confidential Information only if it is clearly designated or marked in writing as confidential on the face of the document, or, if the information is conveyed orally or by inspection, if the Party providing the information orally informs the Party receiving the information that the information is confidential.

If requested by either Party, the other Party shall provide in writing, the basis for asserting that the information referred to in this Article 24 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.

24.1. Term.

During the term of this Agreement, and for a period of three (3) years after the expiration or termination of this Agreement, except as otherwise provided in this Article 24, each Party shall hold in confidence and shall not disclose to any person Confidential Information.

24.2. Scope.

Confidential Information shall not include information that the receiving Party can demonstrate: (1) is generally available to the public other than as a result of a disclosure by the receiving Party; (2) was in the lawful possession of the receiving Party on a non-confidential basis before receiving it from the disclosing Party; (3) was supplied to the receiving Party without restriction by a third party, who, to the knowledge of the receiving Party after due inquiry, was under no obligation to the disclosing Party to keep such information confidential; (4) was independently developed by the receiving Party without reference to Confidential Information of the disclosing Party; (5) is, or becomes, publicly known, through no wrongful act or omission of the receiving Party or Breach of this Agreement; or (6) is required, in accordance with Article 24.7 of this Agreement, Order of Disclosure, to be disclosed by any Governmental Authority or is otherwise required to be disclosed by law or subpoena, or is necessary in any legal proceeding establishing rights and obligations under this Agreement. 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.

24.3. Release of Confidential Information.

Neither Party shall release or disclose Confidential Information to any other person, except to its Affiliates (limited by the applicable standards of conduct requirements), subcontractors, employees, consultants, or to parties who may be or considering providing financing to or equity participation with Interconnection Customer, or to potential purchasers or assignees of Interconnection Customer, on a need-to-know basis in connection with this Agreement, unless such person has first been advised of the confidentiality provisions of this Article 24 and has agreed to comply with such provisions. Notwithstanding the foregoing, a Party providing Confidential Information to any person shall remain primarily responsible for any release of Confidential Information in contravention of this Article 24.

24.4. Rights.

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

24.5. No Warranties.

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

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

24.7. Order of Disclosure.

If (i) a court or a Governmental 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, or (ii) SRP receives a public records request to disclose Confidential Information, that Party shall provide the other Party with prompt notice of such request(s) or requirement(s) so that the other Party may seek an appropriate protective order or waive compliance with the terms of this Agreement. Notwithstanding the absence of a protective order or waiver, the Party may disclose such Confidential Information after providing the other Party notice as required by this Article 24.7 and an opportunity to seek a protective order. Each Party will use Reasonable Efforts to obtain reliable assurance that confidential treatment will be accorded any Confidential Information so furnished.

Interconnection Customer acknowledges and understands that: (i) SRP as a political subdivision of the State of Arizona, may be subject to certain disclosure requirements under the Arizona public records law (A.R.S. § 39-101, et seq.); and (ii) LADWP, as a political subdivision of the State of California, is subject to certain disclosure requirements under the California Public Records Act (Calif. Gov’t Code §§ 6250, et seq). Provided that SRP or LADWP complies with the procedural requirements of this Article 24, and notwithstanding any other provision of this Agreement, SRP or LADWP may release such Party’s Confidential Information to a third party in response to a public records request submitted by such party.

24.8. Termination of Agreement.

Upon termination of this Agreement for any reason, each Party shall, within ten (10) Calendar Days of receipt of a written request from the other Party, use Reasonable Efforts to destroy, erase, or delete (with such destruction, erasure, and deletion certified in writing to the other Party) or return to the other Party, without retaining copies thereof, any and all written or electronic Confidential Information received from the other Party.

24.9. Remedies.

The Parties agree that monetary damages would be inadequate to compensate a Party for the other Party’s Breach of its obligations under this Article 27. Each Party accordingly agrees that the other Party shall be entitled to equitable relief, by way of injunction or otherwise, if the first Party Breaches or threatens to Breach its obligations under this Article 24, which equitable relief shall be granted without bond or proof of damages, and the receiving Party shall not plead in defense that there would be an adequate remedy at law. Such remedy shall not be deemed an exclusive remedy for the Breach of this Article 24, but shall be in addition to all other remedies available at law or in equity. The Parties further acknowledge and agree that the covenants contained herein are necessary for the protection of legitimate business interests and are reasonable in scope. No Party, however, shall be liable for indirect, incidental, or consequential
or punitive damages of any nature or kind resulting from or arising in connection with this Article 24.

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

Disclosure to FERC, its Staff, or a State. Notwithstanding anything in this Article 24 to the contrary, and pursuant to 18 C.F.R. § 1b.20, if FERC or its staff, during the course of an investigation or otherwise, requests information from one of the Parties that is otherwise required to be maintained in confidence pursuant to this Agreement, the Party shall provide the requested information to FERC or its staff, within the time provided for in the request for information, where required by law or Governmental Authority to do so. In providing the information to FERC or its staff, the Party must, consistent with 18 C.F.R. § 388.112, request that the information be treated as confidential and non-public by FERC and its staff and that the information be withheld from public disclosure. Parties are prohibited from notifying the other Party to this Agreement prior to the release of the Confidential Information to FERC or its staff. The Party shall notify the other Party to the Agreement when it is notified by FERC or its staff that a request to release Confidential Information has been received by FERC, at which time either of the Parties may respond before such information would be made public, pursuant to 18 C.F.R. § 388.112. Requests from a state regulatory body conducting a confidential investigation shall be treated in a similar manner if consistent with the applicable state rules and regulations.

24.11. Disclosure.

Any information that a Party claims is Confidential Information under this Agreement 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 Agreement or as a transmission service provider or a Balancing Authority Area operator including disclosing the Confidential Information to an RTO or ISO or to a regional or national reliability organization. The Party asserting confidentiality shall notify the other Party in writing of the information it claims is confidential. Prior to any disclosures of the other Party's Confidential Information under this subparagraph, or if any third party or Governmental Authority makes any request or demand for any of the information described in this subparagraph, the disclosing Party agrees to promptly notify the other Party in writing and agrees to assert confidentiality and cooperate with the other Party in seeking to protect the Confidential Information from public disclosure by confidentiality agreement, protective order or other reasonable measures.

Article 25. Environmental Releases.

Each Party shall notify the other Party, first orally and then in writing, of the release of any Hazardous Substances, any asbestos or lead abatement activities, or any type of remediation activities related to the Generating Facility or the Interconnection Facilities, each of which may reasonably be expected to affect the other Party. The notifying Party shall: (i) provide the notice as soon as practicable, provided such Party makes a good faith effort to provide the notice no later than twenty-four (24) hours after such Party becomes aware of the occurrence; and (ii) promptly furnish to the other Party copies of any publicly available reports filed with any Governmental Authorities addressing such events.

26.1.  Information Acquisition.

The Operating Agent and Interconnection Customer shall submit specific information regarding the electrical characteristics of their respective facilities to each other as described below and in accordance with Applicable Reliability Standards.

26.2.  Information Submission by Operating Agent.

The initial information submission by Operating Agent shall occur no later than one hundred eighty (180) Calendar Days prior to Trial Operation and shall include JPP information necessary to allow Interconnection Customer to select equipment and meet any system protection and stability requirements, unless otherwise agreed to by the Parties. On a monthly basis Operating Agent shall provide Interconnection Customer a status report on the construction and installation of JPP Interconnection Facilities and Network Upgrade(s), including, but not limited to, the following information: (1) progress to date; (2) a description of the activities since the last report; (3) a description of the action items for the next period; and (4) the delivery status of equipment ordered.

26.3.  Updated Information Submission by Interconnection Customer.

The updated information submission by Interconnection Customer, including manufacturer information, shall occur no later than one hundred eighty (180) Calendar Days prior to the Trial Operation. Interconnection Customer shall submit a completed copy of the Generating Facility data requirements contained in Appendix 1 to the GIP. It shall also include any additional information provided to Operating Agent for the Cluster System Impact Study and the Interconnection Facilities Study. Information in this submission shall be the most current Generating Facility design or expected performance data. Information submitted for stability models shall be compatible with the JPP standard models. If there is no compatible model, Interconnection Customer will work with a consultant mutually agreed to by the Parties to develop and supply a standard model and associated information.

If Interconnection Customer’s data is materially different from what was originally provided to Operating Agent, then Operating Agent will conduct appropriate studies to determine the impact on the JPP based on the actual data submitted pursuant to this Article 26.3. The Interconnection Customer shall not begin Trial Operation until such studies are completed.

26.4.  Information Supplementation.

Prior to the Commercial Operation Date, the Parties shall supplement their information submissions described above in this Article 26 with any and all “as-built” Generating Facility information or “as-tested” performance information that differs from the initial submissions or, alternatively, written confirmation that no such differences exist. The Interconnection Customer shall conduct tests on the Generating Facility as required by Good Utility Practice such as an open circuit “step voltage” test on the Generating Facility to verify proper operation of the Generating Facility’s automatic voltage regulator.

Unless otherwise agreed, the test conditions shall include: (1) Generating Facility at synchronous speed; (2) automatic voltage regulator on and in voltage control mode; and (3) a five percent change in Generating Facility terminal voltage initiated by a change in the voltage regulators.
reference voltage. Interconnection Customer shall provide validated test recordings showing the responses of Generating Facility terminal and field voltages. In the event that direct recordings of these voltages is impractical, recordings of other voltages or currents that mirror the response of the Generating Facility’s terminal or field voltage are acceptable if information necessary to translate these alternate quantities to actual Generating Facility terminal or field voltages is provided. Generating Facility testing shall be conducted and results provided to Operating Agent for each individual generating unit in a station.

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

Article 27. Information Access and Audit Rights.

27.1. Information Access.

Each Party (the disclosing Party) shall make available to the other Party information that is in the possession of the disclosing Party and is necessary in order for the other Party to: (i) verify the costs incurred by the disclosing Party for which the other Party is responsible under this Agreement; and (ii) carry out its obligations and responsibilities under this Agreement. The Parties shall not use such information for purposes other than those set forth in this Article 27.1 and to enforce their rights under this Agreement.

27.2. Reporting of Non-Force Majeure Events.

Each Party (the notifying Party) shall notify the other Party when the notifying Party becomes aware of its inability to comply with the provisions of this Agreement for a reason other than a Force Majeure event. The Parties agree to cooperate with each other and provide necessary information regarding such inability to comply, including the date, duration, reason for the inability to comply, and corrective actions taken or planned to be taken with respect to such inability to comply. Notwithstanding the foregoing, notification, cooperation or information provided under this Article shall not entitle the Party receiving such notification to allege a cause for anticipatory breach of this Agreement.

27.3. Audit Rights.

Subject to the requirements of confidentiality under Article 24 of this Agreement, each Party shall have the right, during normal business hours, and upon prior reasonable notice to the other Party, to audit at its own expense the other Party’s accounts and records pertaining to either Party’s performance or either Party’s satisfaction of obligations under this Agreement. Such audit rights shall include audits of the other Party’s costs, calculation of invoiced amounts, Operating Agent’s efforts to allocate responsibility for the provision of reactive support to the JPP, Operating Agent’s efforts to allocate responsibility for interruption or reduction of generation on the JPP, and each Party’s actions in an Emergency Condition. Any audit authorized by this Article shall be performed at the offices where such accounts and records are maintained and shall be limited to those portions of such accounts and records that relate to each Party’s performance and satisfaction of...
obligations under this Agreement. Each Party shall keep such accounts and records for a period equivalent to the audit rights periods described in Article 27.4.

27.4. Audit Rights Periods.

27.4.1. Audit Rights Period for Construction-Related Accounts and Records.

Accounts and records related to the design, engineering, procurement, and construction of JPP Interconnection Facilities and Network Upgrades shall be subject to audit for a period of twenty-four months following Operating Agent’s issuance of a final invoice in accordance with Section 14.2.

27.4.2. Audit Rights Period for All Other Accounts and Records.

Accounts and records related to either Party’s performance or satisfaction of all obligations under this Agreement other than those described in Section 27.4.1 shall be subject to audit as follows: (i) for an audit relating to cost obligations, the applicable audit rights period shall be twenty-four months (24) after the auditing Party’s receipt of an invoice giving rise to such cost obligations; and (ii) for an audit relating to all other obligations, the applicable audit rights period shall be twenty-four (24) months after the event for which the audit is sought.

27.5. Audit Results.

If an audit by a Party determines that an exception, such as an overpayment or an underpayment has occurred, a written notice of such exception shall be given to the other Party together with those records from the audit which support such determination. The other Party’s Authorized Representative shall respond in writing to such notification of any exception within thirty (30) Calendar Days. Upon resolution of any exception, the owing Party shall directly refund the amount of any exception to the other Party within thirty (30) Calendar days.

Article 28. Subcontractors.


Nothing in this Agreement shall prevent a Party from utilizing the services of any subcontractor as it deems appropriate to perform its obligations under this Agreement; provided, however, that each Party shall require its subcontractors to comply with all applicable terms and conditions of this Agreement in providing such services and each Party shall remain primarily liable to the other Party for the performance of such subcontractor.

28.2. Responsibility of Principal.

The creation of any subcontract relationship shall not relieve the hiring Party of any of its obligations under this Agreement. The hiring Party shall be fully responsible to the other Party for the acts or omissions of any subcontractor the hiring Party hires as if no subcontract had been made; provided, however, that in no event shall Joint Participants be liable for the actions or inactions of Interconnection Customer or its subcontractors with respect to obligations of Interconnection Customer under Article 5 of this Agreement. Any applicable obligation imposed by this Agreement upon the hiring Party shall be equally binding upon, and shall be construed as having application to, any subcontractor of such Party.
28.3. No Limitation by Insurance.

The obligations under this Article 28 will not be limited in any way by any limitation of subcontractor’s insurance.

Article 29. Disputes.

29.1. Submission.

In the event either Party has a dispute, or asserts a claim, that arises out of or in connection with this Agreement or its performance, such Party (the disputing Party) shall provide the other Party with written notice of the dispute or claim (Notice of Dispute). Such dispute or claim shall be referred to a designated senior representative of each Party for resolution on an informal basis as promptly as practicable after receipt of the Notice of Dispute by the other 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 Agreement.

29.2. External Arbitration Procedures.

Any arbitration initiated under this Agreement 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. If either case, the arbitrators shall be knowledgeable in electric utility matters, including electric transmission and bulk power issues, and shall not have any current or past substantial business or financial relationships with any party to the arbitration (except prior arbitration). The arbitrator(s) shall provide each of the Parties an opportunity to be heard and, except as otherwise provided herein, shall conduct the arbitration in accordance with the Commercial Arbitration Rules of the American Arbitration Association (Arbitration Rules) and any applicable FERC regulations or RTO rules; provided, however, in the event of a conflict between the Arbitration Rules and the terms of this Article 29, the terms of this Article 29 shall prevail.

29.3. Arbitration Decisions.

Unless otherwise agreed by the Parties, the arbitrator(s) shall render a decision within ninety (90) Calendar Days of appointment and shall notify the Parties in writing of such decision and the reasons therefor. The arbitrator(s) shall be authorized only to interpret and apply the provisions of this Agreement and shall have no power to modify or change any provision of this Agreement in any manner. Judgment on the arbitrator’s decision may be entered in any court having jurisdiction. 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 Upgrade(s) of any Joint Participant so obligated by FERC. The decision of the arbitrator must also be submitted to SRP’s Board of Directors for a final decision if it affects, rates, terms or conditions of service or facilities.
29.4. Costs.

Each Party shall be responsible for its own costs incurred during the arbitration process and for the following costs, if applicable: (1) the cost of the arbitrator chosen by the Party to sit on the three-member panel and one half of the cost of the third arbitrator chosen; or (2) one half the cost of the single arbitrator jointly chosen by the Parties.

Article 30. Representations, Warranties, and Covenants.

30.1. General.

Each Party makes the following representations, warranties and covenants:

30.1.1. Good Standing.

Such Party is duly organized, validly existing and in good standing under the laws of the state in which it is organized, formed, or incorporated, as applicable; that it is qualified to do business in the state or states in which the Generating Facility, Interconnection Facilities and Network Upgrade(s) owned by such Party, as applicable, are located; and that it has the corporate power and authority to own its properties, to carry on its business as now being conducted and to enter into this Agreement and carry out the transactions contemplated hereby and perform and carry out all covenants and obligations on its part to be performed under and pursuant to this Agreement.

30.1.2. Authority.

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

30.1.3. No Conflict.

The execution, delivery and performance of this Agreement does not violate or conflict with the organizational or formation documents, or bylaws or operating agreement, of such Party, or any judgment, license, permit, order, material agreement or instrument applicable to or binding upon such Party or any of its assets.

Such Party has sought or obtained, or, in accordance with this Agreement will seek or obtain, each consent, approval, authorization, order, or acceptance by any Governmental Authority in connection with the execution, delivery and performance of this Agreement, and it will provide to any Governmental Authority notice of any actions under this Agreement that are required by Applicable Laws and Regulations.
Article 31. Joint Operating Committee.


Operating Agent and Interconnection Customer shall be members of a Joint Operating Committee to coordinate operating and technical considerations of Interconnection Service with the E&O Committee. At least six (6) months prior to the expected Initial Synchronization Date, Operating Agent and Interconnection Customer shall each appoint one representative and one alternate to the Joint Operating Committee. Each Interconnection Customer shall notify Operating Agent of its appointment in writing. Such appointments may be changed at any time by similar notice. The Joint Operating Committee shall meet with the E&O Committee as necessary, but not less than once each calendar year, to carry out the duties set forth herein. The Joint Operating Committee shall meet with the E&O Committee at the request of any Party during otherwise scheduled E&O Committee meetings. The Joint Operating Committee shall perform all of its duties consistent with the provisions of this Agreement. Each Party shall cooperate in providing to the Joint Operating Committee all information required in the performance of the Joint Operating Committee’s duties. All decisions and agreements, if any, made by the Joint Operating Committee, shall be evidenced in writing. The duties of the Joint Operating Committee shall include the following:

31.1.1. Establish data requirements and operating record requirements.

31.1.2. Review the requirements, standards, and procedures for data acquisition equipment, protective equipment, and any other equipment or software.

31.1.3. Annually review the one (1) year forecast of maintenance and planned outage schedules of the Interconnection Facilities at the Point of Interconnection.

31.1.4. Coordinate the scheduling of maintenance and planned outages on the Interconnection Facilities, the Generating Facility and other facilities that impact the normal operation of the interconnection of the Generating Facility to the JPP.

31.1.5. Ensure that information is being provided by each Party regarding equipment availability.

31.1.6. Perform such other duties as may be conferred upon it by mutual agreement of the Parties.

Article 32. Miscellaneous.

32.1. Binding Effect.

This Agreement and the rights and obligations hereof, shall be binding upon and shall inure to the benefit of the successors and assigns of the Parties hereto including each of the Joint Participants.

32.2. Conflicts.

In the event of a conflict between the body of this Agreement and any attachment, appendices or exhibits hereto, the terms and provisions of the body of this Agreement shall prevail and be deemed the final intent of the Parties.
32.3. Rules of Interpretation.

This Agreement, unless a clear contrary intention appears, shall be construed and interpreted as follows: (1) the singular number includes the plural number and vice versa; (2) reference to any person includes such person's successors and assigns but, in the case of a Party, only if such successors and assigns are permitted by this Agreement, and reference to a person in a particular capacity excludes such person in any other capacity or individually; (3) reference to any agreement (including this Agreement), document, instrument or tariff means such agreement, document, instrument, or tariff as amended or modified and in effect from time to time in accordance with the terms thereof and, if applicable, the terms hereof; (4) reference to any Applicable Laws and Regulations means such Applicable Laws and Regulations as amended, modified, codified, or reenacted, in whole or in part, and in effect from time to time, including, if applicable, rules and regulations promulgated thereunder; (5) unless expressly stated otherwise, reference to any Article, Section or Appendix means such Article of this Agreement or such Appendix to this Agreement, or such Section to the GIP or such Appendix to the GIP, as the case may be; (6) “hereunder,” “hereof,” “herein,” “hereto” and words of similar import shall be deemed references to this Agreement as a whole and not to any particular Article or other provision hereof or thereof; (7) “including” (and with correlative meaning “include”) means including without limiting the generality of any description preceding such term; and (8) relative to the determination of any period of time, “from” means “from and including,” “to” means “to but excluding” and “through” means “through and including.”

32.4. Entire Agreement.

This Agreement, together with the EPC constitute the entire agreement between the Parties with reference to the subject matter hereof, and supersedes all prior and contemporaneous understandings or agreements, oral or written, between the Parties with respect to the subject matter of this Agreement. There are no other agreements, representations, warranties, or covenants which constitute any part of the consideration for, or any condition to, either Party’s compliance with its obligations under this Agreement.

32.5. No Third Party Beneficiaries.

This Agreement is not intended to and does not create rights, remedies, or benefits of any character whatsoever in favor of any persons, corporations, associations, or entities other than the Parties, and the obligations herein assumed are solely for the use and benefit of the Parties, their successors in interest and, where permitted, their assigns.

32.6. Waiver.

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

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

The descriptive headings of the various Articles of this Agreement have been inserted for convenience of reference only and are of no significance in the interpretation or construction of this Agreement.

32.8. Amendment.

The Parties may by mutual agreement amend this Agreement by a written instrument duly executed by the Parties.

32.9. Appendix and Exhibit Revisions.

32.9.1. Unless otherwise noted herein, appendices and exhibits to this Agreement may be modified by the E&O Committee if agreed to by the E&O Committee representative of each Participant and the Interconnection Customer in writing.

32.9.2. The Operating Agent shall submit each revised appendix and/or exhibit to the E&O Committee for its review and approval. Within thirty (30) days after approval of such revised appendices and/or exhibits by the E&O Committee, Operating Agent or designated FERC jurisdictional Participant shall file such revised appendices and/or exhibits with FERC for approval and distribute copies thereof to each Participant.

32.9.3. The effective date of a revised appendices and/or exhibits shall be as determined by the E&O Committee and is subject to FERC approval. Revised cost responsibility percentages shall be reflected in invoices following the FERC-approved effective date of the revised appendices and/or exhibits.

32.10. Modification by the Parties.

Appendices H and I of this Agreement may be revised by the Operating Agent, subject, however, to the approval of the E&O Committee. The other appendices or exhibits to this Agreement may be revised by mutual agreement of Interconnection Customer and the Operating Agent, subject, however, to the approval of the E&O Committee.

32.11. Reservation of Rights.

Each of the Joint Participants shall have the right to make a unilateral filing with FERC to modify this Agreement with respect to any rates, terms and conditions, charges, classifications of service, rule or regulation under section 205 or any other applicable provision of the Federal Power Act and FERC’s rules and regulations thereunder, and Interconnection Customer shall have the right to make a unilateral filing with FERC to modify this Agreement pursuant to section 206 or any other applicable provision of the Federal Power Act and FERC’s rules and regulations thereunder; provided that each Party shall have the right to protest any such filing and to participate fully in any proceeding before FERC in which such modifications may be considered. Nothing in this Agreement shall limit the rights of the Parties or of FERC under sections 205 or 206 of the Federal Power Act and FERC’s rules and regulations thereunder, except to the extent that the Parties otherwise mutually agree as provided herein.
32.12. No Partnership.

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


This Agreement may be executed in any number of counterparts, including in facsimile and electronic formats (including portable document format (.pdf) and with the use of an electronic or digital signature, each of which shall be deemed an original and all of which, when taken together, shall constitute one and the same instrument. Any signature page of this Agreement may be detached from any counterpart of this Agreement without impairing the legal effect of any signatures thereon.

IN WITNESS WHEREOF, the Parties have executed this Agreement in duplicate originals, each of which shall constitute and be an original effective Agreement between the Parties.

ARIZONA PUBLIC SERVICE COMPANY

Name: ____________________________
Title: ____________________________
Date: ____________________________

THE CITY OF LOS ANGELES

Name: ____________________________
Title: ____________________________
Date: ____________________________

EL PASO ELECTRIC COMPANY

Name: ____________________________
Title: ____________________________
Date: ____________________________

PUBLIC SERVICE COMPANY OF NEW MEXICO

Name: ____________________________
Appendix A

Interconnection Facilities, Network Upgrade(s) and Distribution Upgrade(s)

1. Interconnection Facilities:
   (a) [insert Interconnection Customer’s Interconnection Facilities]
   (b) [insert JPP Interconnection Facilities]

2. Network Upgrades:

3. Distribution Upgrades:

4. Shared Network Upgrades:

FIGURE 1

FIGURE 2
Appendix B

Milestones

The following Milestones will be achieved as follows:

1. Requested In-Service Date – to be set forth in the Engineering, Procurement and Construction Agreement.
2. Date of completion of Network Upgrades –
3. Permits –
4. Commercial Operation Date:

Affected Systems:
Appendix C

Interconnection Details

[Interconnection Requirements to Be Developed And Provided By Operating Agent] Requested Capacity In-service (MW)

At the end of the Seven Year Queue Limit, the amount of capacity actually in service is [ MW] and shall be the maximum interconnection service allowed.
Appendix D

Security Arrangements Details

Infrastructure security of JPP equipment and operations and control hardware and software is essential to ensure day-to-day JPP reliability and operational security. All Interconnection Customers interconnected to the JPP shall comply with Applicable Reliability Standards. Operating Agent meets, and expects its Interconnection Customers to meet, standards for system infrastructure and operational security, including physical, operational, and cyber-security practices.
Appendix E

Commercial Operation Date

[Date]

[Operating Agent Address]

Re: ______________Generating Facility

Dear ______:

On [Date] [Interconnection Customer] has completed Trial Operation of Unit No. ______. This letter confirms that [Interconnection Customer] has achieved the Commercial Operation Date of Unit No. ______ at the Generating Facility, effective as of [Date plus one day]. The Capacity In-Service is __________MW.

Thank you.

[Signature]

[Interconnection Customer Representative]
Appendix F

Addresses for Delivery of Notices and Billings

Notices:

Transmission Provider:

Salt River Project
Attn: Director, Transmission Planning Strategy & Development
Mail Station POB100
P.O. Box 52025
Phoenix, AZ 85072-2025

Interconnection Customer:
[To be supplied.]

Billings and Payments:

Transmission Provider:

Salt River Project
Attn: Director, Transmission Planning Strategy & Development
Mail Station POB100
P.O. Box 52025
Phoenix, AZ 85072-2025

Interconnection Customer:
[To be supplied.]

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

Transmission Provider:

Salt River Project
Attn: Manager, Transmission Participation & Interconnection Projects
Mail Station POB100
P.O. Box 52025
Phoenix, AZ 85072-2025
PH: 602-236-2847
Interconnection Customer:

[To be supplied.]
Appendix G

Interconnection Requirements for a Wind Generating Plant

A. Technical Standards Applicable to a Wind Generating Plant
   i. Low Voltage Ride-Through (LVRT) Capability

A wind generating plant shall be able to remain online during voltage disturbances up to the time
periods and associated voltage levels set forth in the standard in Figure 1, below, if the Cluster
System Impact Study shows that low voltage ride-through capability is required to ensure safety
or reliability.

The standard applies to voltage measured at the Point of Interconnection as defined in this
Agreement. The figure shows the ratio of actual to nominal voltage (on the vertical axis) over time
(on the horizontal axis). Before time 0.0, the voltage at the transformer is the nominal voltage.

At time 0.0, the voltage drops. If the voltage remains at a level greater than 15 percent of the
nominal voltage for a period that does not exceed 0.625 seconds, the plant must stay online.
Further, if the voltage returns to 90 percent of the nominal voltage within 3 seconds of the
beginning of the voltage drop (with the voltage at any given time never falling below the minimum
voltage indicated by the solid line in Figure 1), the plant must stay online. The Interconnection
Customer may not disable low voltage ride-through equipment while the wind plant is in operation.
Two key features of this regulation are:

1. A wind generating plant must have low voltage ride-through capability down to 15
   percent of the rated line voltage for 0.625 seconds;
2. A wind generating plant must be able to operate continuously at 90 percent of the
   rated line voltage, measured at the high voltage side of the wind plant substation
   transformer(s).

![Diagram of proposed low voltage ride-through standard](image)

* per unit = Ratio of Actual to Nominal Voltage

Figure 1  Proposed low voltage ride-through standard
ii. **Power Factor Design Criteria (Reactive Power)**

A wind generating plant shall maintain a power factor within the range of 0.95 leading to 0.95 lagging, measured at the Point of Interconnection as defined in this Agreement, unless the Cluster System Impact Study shows that such a requirement is unnecessary to ensure safety or reliability. The power factor range standard can be met by using, for example, power electronics designed to supply this level of reactive capability (taking into account any limitations due to voltage level, real power output, etc.) or fixed and switched capacitors if agreed to by Operating Agent, or a combination of the two. The Interconnection Customer shall not disable power factor equipment while the wind plant is in operation. Wind plants shall also be able to provide sufficient dynamic voltage support in lieu of the power system stabilizer and automatic voltage regulation at the generator excitation system unless the Cluster System Impact Study shows this not to be required for system safety or reliability.

iii. **Supervisory Control and Data Acquisition (SCADA) Capability**

The wind plant shall provide SCADA capability to transmit data and receive instructions from the Transmission Provider to protect system reliability. The Transmission Provider and the wind plant Interconnection Customer shall determine what SCADA information is essential for the proposed wind plant, taking into account the size of the plant and its characteristics, location, and importance in maintaining generation resource adequacy and transmission system reliability in its area.
Appendix H-1
Common Facilities

Common Facilities are broken down into two categories:

1. HAA Common Facilities.

The HAA Common Facilities are the mutual structures, devices, and systems inclusive to all interconnectors interconnecting to HAA. The HAA Common Facilities consist of, but are not limited to, the following:

a. Land
b. Site prep, roads, drainage ditch, and fence
c. Ground grid
d. Cable trench
e. Main buses and their protection
f. Control house
g. Communication systems
h. AC and DC auxiliary power systems
i. Lighting systems
j. Supervisory control systems and annunciator
k. Digital fault recorder
l. Security systems
m. Common facilities terminations
n. All facilities required for the termination of the three string bus-ties to the PV Switchyard, the Jojoba line and the Hoodoo Wash line
o. String bus-tie from PV Switchyard to HAA and all facilities required for the termination of the string bus-tie at PV
2. PV Switchyard Common Facilities.

HAA is responsible for its pro-rata share of capital, operations and maintenance expenses of the PV Switchyard Common Facilities. The PV Switchyard Common Facilities are the mutual structures, devices, and systems inclusive to all interconnectors interconnecting to the PV Switchyard. The PV Switchyard Common Facilities consist of, but are not limited to, the following:

a. Land
b. Site prep, roads, drainage ditch, and fence
c. Ground grid
d. Cable trench
e. Main buses and their protection
f. Control house
g. Communication systems
h. AC and DC auxiliary power systems
i. Lighting systems
j. Supervisory control systems and annunciator
k. Digital fault recorder
l. Security systems
m. Common facilities terminations
Appendix H-2

Common Facilities Use Fee

This appendix provides the methodology for calculation of a one-time payment to be made by Interconnector, on behalf of Interconnector and future interconnectors that have entered into a shared facilities agreement, for use of Common Facilities at PV Switchyard and HAA.

Common Facilities Use Fee:

The one-time payment by Interconnector is calculated as follows:

\[ P = ((OIC + X) \times HAA \text{ CRR}) + (Y \times PV \text{ CRR}) \]

Where:

- \( P \) = Payment by Interconnector for use of Common Facilities.
- \( OIC \) = Original installed costs\(^1\) of HAA Common Facilities in the amount of $42,180,556 and is for all costs from January 1999 thru August 2004 including the equipment and upgrades needed to connect the PV Switchyard to HAA.
- \( X \) = Cost of capital improvements of HAA Common Facilities from September 2004 to date\(^2\).
- \( HAA \text{ CRR} \) = Interconnector’s HAA CRR calculated pursuant to Appendix H-1.
- \( Y \) = Cost of Capital Improvements of PV Switchyard Common Facilities from September 2004 to date\(^3\).
- \( PV \text{ CRR} \) = Interconnector’s PV CRR calculated pursuant to Exhibit 4.

---

1 The original installed costs shown here is less than the dollar amount that was reported to all interconnectors on page 2 of the “Project Completion & Final Cost Report (2004)” published by SRP. When the Mesquite II line terminated in Bay 8 West, Mesquite II paid $202,711 for ½ of breaker 985 and disconnect switch 989 which were originally part of the HAA Common Facilities. As a result, the original installed costs of HAA Common Facilities was reduced by $202,711 to the amount shown.

2 The Cost of Capital Improvements of HAA Common Facilities will be determined to date of the execution of this Agreement.

3 The Cost of Capital Improvements of PV Switchyard Common Facilities will be determined to date of the execution of this Agreement.
$5,308,434 = (($41,977,845 + $10,724,272)\times10\%) + ($5,733,391\times1/150)$
HAA Cost Responsibility Ratio (HAA CRR)

This appendix provides the computation of the HAA Cost Responsibility Ratio (HAA CRR):

\[
\text{HAA CRR} = \frac{\text{HH}}{\text{HH} + \text{BB}}
\]

Where:

- \( \text{HH} \) = Number of terminations used by the Interconnector at HAA.
- \( \text{BB} \) = Current total number of terminations at HAA excluding:
  - The three (3) terminations for the string bus-ties to PV Switchyard
  - The termination for the Jojoba transmission line itself
  - The termination for the Hoodoo Wash transmission line itself
  - The termination used by the Interconnector at HAA

For Interconnector, the HAA CRR is calculated as follows:

\[
\text{HH} = Y \text{ (Interconnector termination(s))}
\]
\[
\text{BB} = X \text{ (Current number of terminations)}
\]

Therefore, the HAA CRR for Interconnector, on behalf of Interconnector and future interconnectors that have entered into a shared facilities agreement, is:

\[
\text{HAA CRR} = \frac{Y}{1 + X} = \frac{Y}{X} = 10.00\%
\]
PV Switchyard Cost Responsibility Ratio (PV CRR)

This appendix provides the computation of the PV Switchyard Cost Responsibility Ratio (PV CRR):

\[
PV \text{ CRR} = \frac{XX}{ZZ} \times \text{HAA CRR}
\]

Where:

- \(XX\) = Number of terminations in the PV Switchyard allocated to HAA.\(^4\)
- \(ZZ\) = Current total number of terminations in the PV Switchyard:
- HAA CRR = As calculated in Appendix I-1.

Therefore, PV CRR for Interconnector is:

\(XX = 1\) (The termination for the one string bus-tie at PV Switchyard that is allocated to HAA).

\(ZZ\) = (Current number of terminations)

\[
\text{HAA CRR} = \frac{Y}{X} \quad \text{(From Appendix I-1)}
\]

Therefore, the PV CRR for the Interconnector, on behalf of Interconnector and future interconnectors that have entered into a shared facilities agreement, is:

\[
PV \text{ CRR} = \frac{1}{ZZ} \times \frac{Y}{X} = \quad \text{(From Appendix I-1)}
\]

\(^4\) While there are three (3) string bus-ties between the PV Switchyard and HAA, only one of the three is allocated to HAA.
Appendix J
Third Party Interconnection Reimbursement Methodology

This appendix sets forth examples illustrating the responsibilities for future interconnectors (Third Parties) to the JPP Interconnection Facilities to reimburse Interconnection Customer for Interconnection Customer’s initial capital cost expenses for JPP Interconnection Facilities pursuant to Article 12.5 of this Agreement.

Key to Tables 1 - 3 in examples below:

A = Connections used by Interconnection Customer (Inter. Cust.)
B = Connections used by Joint Participant Project (JPP)
C = Connections used by Third Parties

1. Table #1 details (illustrative) currently configured cost responsibilities:

<table>
<thead>
<tr>
<th>Table #1 – Current Interconnection Configuration</th>
<th>Capital Cost Responsibility</th>
<th>Capital Reimbursement to Inter. Cust.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Inter. Cust. = ( \frac{A}{A + B + C} )</td>
<td>( \frac{1}{1 + 0 + 0} )</td>
<td>( \frac{1}{(1)} ) = 1</td>
</tr>
<tr>
<td>JPP = ( \frac{B}{A + B + C} )</td>
<td>( \frac{0}{1 + 0 + 0} )</td>
<td>( \frac{0}{(1)} ) = 0</td>
</tr>
<tr>
<td>Third Party = ( \frac{C}{A + B + C} )</td>
<td>( \frac{0}{1 + 0 + 0} )</td>
<td>( \frac{0}{(1)} ) = 0</td>
</tr>
</tbody>
</table>

2. Table #2 illustrates cost responsibilities assuming a single future third party interconnector along with the interconnectors of Table #1:

| Table #2 – Potential Third Party Interconnection: for illustration only |
|-----------------------------------------------|-----------------------------|---------------------------------------|
| Inter. Cust. = \( \frac{A}{A + B + C} \) | \( \frac{1}{1 + 0 + 1} \) | \( \frac{1}{(2)} \) |
| JPP = \( \frac{B}{A + B + C} \) | \( \frac{0}{1 + 0 + 1} \) | \( \frac{0}{(2)} \) |
| Third Party = \( \frac{C}{A + B + C} \) | \( \frac{1}{1 + 0 + 1} \) | \( \frac{1}{(2)} \) |
3. Table #3 illustrates cost responsibilities assuming a second future third-party interconnector along with the interconnectors of Table #2:

<table>
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<tr>
<td>JPP</td>
<td>= ( \frac{1}{(1 + 0 + 2)} )</td>
<td>= ( \frac{1}{3} )</td>
</tr>
<tr>
<td>#1 Third Party</td>
<td>= ( \frac{1}{(1 + 0 + 2)} )</td>
<td>= ( \frac{1}{3} )</td>
</tr>
<tr>
<td>#2 Third Party</td>
<td>= ( \frac{1}{(1 + 0 + 2)} )</td>
<td>= ( \frac{1}{6} )</td>
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Mitigation Facility Fee
Appendix L
Form of Easement

WHEN RECORDED MAIL TO:

SALT RIVER PROJECT
Land Department/PAB350
P. O. Box 52025
Phoenix, Arizona 85072-2025

AFFIDAVIT EXEMPT PURSUANT TO
A.R.S. §§ 11-1134(A)(2) and (A)(3)

NON-EXCLUSIVE EASEMENT FOR INTERCONNECTION FACILITIES AND ACCESS
(HASSAYAMPA SWITCHYARD)

Maricopa County  R/W#  Agt.
Parcel ##  141-21-004G  Job #
W______C_____

THIS EASEMENT AGREEMENT ("Easement Agreement") is made as of the
___ day of _____________, 20__, ("Effective Date") by Salt River Project Agricultural
Improvement and Power District, an agricultural improvement district organized and
existing under the laws of the State of Arizona ("Grantor") and ______________, a
________________ company ("Grantee" or "Interconnector"). Except as otherwise
defined in this Easement Agreement, all initial capitalized words shall have the meanings
assigned to them in the ICA (defined below).

RECITALS

A. Grantor is the owner of certain real property legally described on Exhibit "A" attached
hereto, located in Maricopa County, Arizona (the "Land").

B. Grantor and Grantee are parties, along with Arizona Public Service Company, the City
of Los Angeles by and through the Department of Water and Power, El Paso Electric
Company, Public Service Company of New Mexico, Southern California Public Power
Authority, and Southern California Edison Company, to that certain ANPP Hassayampa
Switchyard Interconnection Agreement, dated ______________________ (together with
all amendments thereto, the "ICA").

C. Pursuant to the ICA, Grantor has agreed to grant Grantee a non-exclusive easement
for the purposes of locating the Interconnector’s Interconnection Facilities, and installing,
operating, maintaining, repairing and replacing the Interconnector’s Interconnection
Facilities.
AGREEMENT

1. Grant of Easement. Grantor hereby grants to Grantee, its successors and assigns, the following easements (collectively, the “Easement”):

(a) a non-exclusive easement on, over, and across the portion of the Land legally described on Exhibit “B” hereto (the “Facilities Area”), for the purpose of locating the Grantee’s Interconnection Facilities, and installing, operating, maintaining, repairing and replacing the Interconnector’s Interconnection Facilities; and

(b) a non-exclusive easement on, over, and across the portion of the Land legally described on Exhibit “C” hereto (the “Access Area,” together with the Facilities Area, the “Easement Area”), for the purpose of providing pedestrian and vehicular access to the Facilities Area to exercise the rights granted to Grantee under item (a) above.

2. Condition of Easement. The Easement granted to Grantee hereunder is expressly made subject to:

(a) The condition and state of repair of the Easement Area as the same may be on the Effective Date; and

(b) All matters of record with respect to the Land as of the Effective Date.

3. Relocation. The Interconnector’s Interconnection Facilities shall initially be constructed by Grantee within the Facilities Area, as designated or approved by Grantor and shall not be relocated or modified by Grantee without the consent of Grantor. The Grantee’s Interconnection Facilities shall be relocated at the direction of Grantor when and as provided in Section 7.4, or any other applicable provision, of the ICA. Grantor may also relocate or modify the Access Area, provided that Grantee is afforded the same ability to access the Facilities Area as Grantee enjoyed prior to such relocation or modification. Subject to Grantor’s right to require the relocations or modifications described in this paragraph 3, Grantor shall not grant rights to any other Hassayampa Interconnector to utilize the Easement Area in any manner which would materially interfere with the use thereof by Grantee pursuant to the Easement. Upon the relocation of the Grantee’s Interconnection Facilities, or the relocation or modification of the Access Area, Grantor and Grantee shall execute, and cause the recordation of, an amendment to this Easement Agreement setting forth the new Easement Area resulting from such relocations or modification.

4. Term, Termination. The Easement and all rights and obligations provided herein shall expire automatically and without further act of any party upon termination of the ICA. At any time after such expiration, Grantor may request that Grantee execute, acknowledge and deliver to Grantor for recording, an instrument evidencing the termination of the Easement and all rights and obligations hereunder, provided that Grantee agrees that such instrument is not required to effectuate the expiration.
5. **Conflict with ICA.** In the event of any conflict or inconsistency between the provisions of this Easement Agreement and those of the ICA, the terms and provisions of the ICA shall prevail.

6. **Counterparts.** This Easement Agreement may be executed in any number of counterparts with the same effect as if the parties had signed the same document. All counterparts shall be construed together and constitute one document.

IN WITNESS WHEREOF, the parties executed this instrument as of the day and year set forth above.

**GRANTOR:**

SALT RIVER PROJECT AGRICULTURAL IMPROVEMENT AND POWER DISTRICT an agricultural improvement district organized and existing under the laws of the State of Arizona

BY: ________________________________

President / Vice President

David Rousseau / Christopher Dobson

**ATTEST AND COUNTERSIGN:**

_______________________________

Secretary / Assistant Secretary

John M. Felty / Lara F. Hobaica

STATE OF ARIZONA )

) ss.

County of Maricopa )

The foregoing instrument was acknowledged before me this _____________ day of __________________, 201_, by __David Rousseau / Christopher Dobson__ as President/Vice President and __John M. Felty / Lara F. Hobaica__ as Secretary/Assistant Secretary of Salt River Project Agricultural Improvement and Power District, on behalf of such district.
My Commission expires:

GRANTEE:

______________, a __________________ company

By: ______________________________________

Name: ________________________________

Its: _________________________________

State of___________________________________)

County of_________________________________)

On ____________ before me, _____________________________, Notary Public, personally appeared ____________________________, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of ________________ that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature_________________________________(Seal)
ARIZONA NUCLEAR POWER PROJECT

VALLEY TRANSMISSION SYSTEM

LARGE STANDARD GENERATOR

INTERCONNECTION AGREEMENT (LGIA GIA)
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LARGE STANDARD GENERATOR INTERCONNECTION AGREEMENT

THIS LARGE GENERATOR INTERCONNECTION AGREEMENT ("This Generator Interconnection Agreement" or "Agreement") is made and entered into this _____ day of __________, 20__, (Click or tap to enter a date.), by and between ______________________, a _____________________ organized (Name of Interconnection Customer) a __________________ organized and existing under the laws of the State/Commonwealth of ______ ("of (Click or tap here to enter text.)") (Name of Interconnection Customer) with a Large Generating Facility, and the owners of the Arizona Nuclear Power Plant Valley Transmission System (JPP), a jointly owned transmission facility located in the State of Arizona. The owners include Arizona Public Service Company (APS), an Arizona corporation; El Paso Electric Service Company (EPE), a Texas corporation; Public Service Company of New Mexico (PNM), a New Mexico corporation; and Salt River Project Agricultural Improvement and Power District (SRP), an agricultural improvement district organized and existing under the laws of the State of Arizona (collectively, the “Joint Participants”), as owners of the Arizona Nuclear Power Project Valley Transmission System (“JPP”), a jointly owned transmission facility located in the State of Arizona. Interconnection Customer and the Joint Participants each may be referred to as a “Party” or collectively as the “Parties.”

Recitals

WHEREAS, the Joint Participants are parties to the Amended and Restated ANPP Valley Transmission System Participation Agreement (Participation Agreement) dated November 22, 2021, as amended from time to time, to establish the terms and conditions relating to their interest in and their ownership of the JPP; and

WHEREAS, Interconnection Customer intends to own, lease and/or control and operate the Generating Facility identified as a Large-Generating Facility in Appendix C to this Agreement; and,

WHEREAS, Interconnection Customer and the Joint Participants have agreed to enter into this Agreement for the purpose of interconnecting the Large-Generating Facility with the JPP;

NOW, THEREFORE, in consideration of and subject to the mutual covenants contained herein, it is agreed:

When used in this Large-Generator Interconnection Agreement—terms with initial capitalization that are not defined in Article 1 shall have the meanings specified in the Article in which they are used or the Arizona Nuclear Power Project Valley Transmission System Large in SRP’s Generator Interconnection Procedures (LGIP). Where meanings conflict, those set forth herein shall prevail.
Article 1. Definitions.

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

Affected System shall mean an electric system other than the JPP 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 JPP 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 Standards shall mean the North American Electric Reliability Corporation (NERC) mandatory reliability council applicable to the Transmission System to which the Generating Facility is directly interconnected, presently standards, the Western Electricity Coordinating Council, or its successor (WECC) regional criteria and the Balancing Authority procedures and requirements.

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

Arizona Nuclear Power Project (ANPP) shall mean the three nuclear steam generating units, together with all facilities and structures used of, to be used therewith or related to, as described in Appendix A to the ANPP Participation Agreement, as amended or supplemented from time to time. ANPP is also sometimes referred to herein as the Palo Verde Nuclear Generating Station or “PVNGS.”

Arizona Nuclear Power Project Amended and Restated Valley Transmission System Participation Agreement (Participation Agreement) shall refer to that agreement so titled, executed August 20, 1981, as amended and supplemented from time to time.

Balancing Authority shall mean, as such definition may be amended from time to time by NERC, the responsible entity that integrates resource plans ahead of time, maintains load-exchange-generation balancing within a Balancing Authority Area, and supports interconnection frequency in real time.
Balancing Authority Area shall mean the collection of generation, transmission and loads within the metered boundaries of the Balancing Authority. The Balancing Authority maintains load resource balance within this area as such definition may be amended from time to time by NERC.

Base Case shall mean the base case power flow, short circuit, and stability data bases used for the Interconnection Studies by the Operating Agent, or Interconnection Customer or third party consultant.

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

Breaching Party shall mean a Party that is in Breach of the 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.

Capital Improvements shall mean any unit of property added to the JPP including the JPP Interconnection Facilities, the enlargement or betterment of any unit of property constituting a part of the JPP including the JPP Interconnection Facilities, and the replacement of any unit of property constituting a part of the JPP including the JPP Interconnection Facilities, irrespective of whether such replacement constitutes an enlargement or betterment of that which it replaces; which such additions, betterments and replacement in accordance with standard accounting practices used by the JPP would be capitalized.

Clustering Cluster shall mean the process whereby a group of one or more Interconnection Requests that are studied together, instead of serially, for the purpose of conducting the Interconnection Cluster System Impact Study and Network Upgrade(s) Facilities Study.

Cluster System Impact Study 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 within the Cluster Request Window were interconnected without project modifications or system modifications, focusing on the Adverse System Impacts, or to study potential impacts, including but not limited to those identified in the Scoping Meeting as described in the GIP.

Cluster System Impact Study Agreement shall mean the form of agreement contained in Appendix 3.1 of the GIP for conducting the Cluster System Impact Study.

Commercial Operation shall mean the status of a Generating Facility that has commenced generating electricity for sale, excluding electricity generated during Trial Operation.
Commercial Operation Date of a unit (COD) shall mean the date on which the Generating Facility commences Commercial Operation as agreed to by the Parties pursuant to Appendix E to the Large Generator Interconnection Agreement.

Common Facilities shall mean those certain facilities of the JPP described in Exhibit H-1 to this Agreement.

Common Facilities Use Fee shall mean the one-time payment by Interconnection Customer for the non-exclusive use and benefit of the JPP Common Facilities, as described in Article 12.5 of this Agreement and detailed in Exhibit Appendix H-2 to this 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.

Connections shall mean each termination in the (Insert Name of Substation/Switchyard) as shown in Figure 1 of Appendix A, as such figure may be revised by the Operating Agent from time to time in accordance with this Agreement to accurately reflect the then-current terminations in the (Insert Name of Substation/Switchyard).

Cost Responsibility Ratio (“CRR”) is the ratio of responsibility for costs allocated to the Interconnection Customer and detailed in Appendix I to this Agreement.

Default shall mean the failure of a Breaching Party to cure its Breach in accordance with Article 19 of the Large Generator Interconnection Agreement.

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

Distribution System shall mean any Joint Participant’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 energy.
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 any Joint Participant’s Distribution System at or beyond the Point of Interconnection to facilitate interconnection of the Generating Facility and render the transmission service necessary to affect 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 this Agreement becomes effective upon execution by the Parties subject to acceptance by FERC as appropriate, if applicable.

**Electric Storage Resource** shall mean a resource capable of receiving electric energy from the grid or onsite generation, and storing it for later injection of electric energy back to the grid.

**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 Joint Participant or Operating Agent, is imminently likely (as determined in a non-discriminatory manner) to cause a material adverse effect on the security of, or damage to a Joint Participant’s Transmission System, the JPP Interconnection Facilities or the electric systems of others to which the JPP 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 this Agreement to possess black start capability.

**Engineering & Operating Committee** (E&O Committee) shall mean the committee that has the authority organized pursuant to the JPP governing agreement to approve an Interconnection Request for the JPP documents.

**Engineering & Procurement (E&P), and Construction Agreement** (EPC Agreement) shall mean an agreement that authorizes the Joint Participants Operating Agent to begin engineering and procurement of long lead-time items necessary for the establishment of the interconnection in order to advance the implementation of the Interconnection Request.

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

**Existing Generating Facility** shall mean a Generating Facility that is currently in-service or a Generating Facility with an unsuspended Generation Interconnection Agreement.


**FERC** shall mean the Federal Energy Regulatory 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 of electricity identified in the Interconnection Request, generating facility as described in Appendix C to this Agreement 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 at the Point of Interconnection where it includes multiple energy production devices.

**Generating Facility Modification** shall mean modification to the Existing Generating Facility, including comparable replacement of only a portion of the equipment at the Existing Generating Facility.

**Generation Interconnection Procedures (GIP)** shall mean SRP’s Standard Generator Interconnection Procedures.

**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, including those practices as required by the Federal Power Act section 215(a)(4).

**Governmental Authority** shall mean any federal, state, local or other governmental regulatory or administrative agency or its staff, 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, Joint Participants, Operating Agent, 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 JPP Interconnection Facilities to obtain will be energized and back feed power will be available to the Interconnection Customer.

Interconnection Customer shall mean any entity, including any Joint Participant or any of the Affiliates or subsidiaries thereof, or representative of an Existing Generating Facility, that proposes to interconnect its Generating Facility or Replacement Generating Facility with the JPP.

Interconnection Customer’s Interconnection Facilities shall mean all facilities and equipment, as identified in Appendix A of the Large Generator Interconnection Procedures, 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 JPP. Interconnection Customer’s Interconnection Facilities are sole use facilities.

Interconnection Facilities shall mean the JPP 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 JPP. 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 Interconnection Customer, JPP, Operating Agent or a third party consultant to determine a list of facilities (including JPP Interconnection Facilities and Network Upgrades as identified in the Interconnection System Impact Study), the cost of those facilities, and the time required to interconnect the Generating Facility with the JPP. The scope of the study is defined in Article 8 of the Large Generator Interconnection Procedures.

Interconnection Facilities Study Agreement(s) shall mean the form of agreement contained in Appendix 4 of the Large Generator Interconnection Procedures for conducting the Point of Interconnection Facilities Study and the Network Upgrade(s) Facilities Study.

Interconnection Feasibility Study shall mean a preliminary evaluation of the system impact and cost of interconnecting the Generating Facility to the JPP, the scope of which is described in Article 6 of the Large Generator Interconnection Procedures.

Interconnection Feasibility Study Agreement shall mean the form of agreement contained in Appendix 2 of the Large Generator Interconnection Procedures for conducting the Interconnection Feasibility Study.

Interconnection Request shall mean an Interconnection Customer’s request, in the form of Appendix 1 to the Large Generator Interconnection Procedures, 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 JPP.
Interconnection Service shall mean the service provided by the JPP associated with interconnecting the Interconnection Customer’s Generating Facility to the JPP and enabling the JPP to receive electric energy and capacity from the Generating Facility at the Point of Interconnection, pursuant to the terms of the Large Generator Interconnection Agreement. Interconnection Service does not convey transmission service.

Interconnection Study shall mean any of the following studies: the Interconnection Feasibility Study, the Interconnection Cluster System Impact Study, and the Network Upgrade(s) Facilities Study, the Point of Interconnection Facilities Study, the Transitional Facilities Study, the Transitional System Impact Study, the Replacement Impact Study, the Reliability Assessment Study and the Generator Replacement Interconnection Facilities Study, described in the Large Generator Interconnection Procedures GIP.

Inverter-Based Resource shall mean any technology that requires an inverter to convert direct current (DC) electricity into alternating current (AC) electricity and is directly connected to the bulk power system. An Inverter-Based Resource may be a Generating Facility and/or Electric Storage Resource.

Interconnection System Impact Study shall mean an engineering study that evaluates the impact of the proposed interconnection on the safety and reliability of JPP and, if applicable, an Affected System. The study shall identify and detail the system impacts that would result if the Generating Facility were interconnected without project modifications or system modifications, focusing on the Adverse System Impacts identified in the Interconnection Feasibility Study, or to study potential impacts, including but not limited to those identified in the Scoping Meeting as described in the Large Generator Interconnection Procedures.

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

IRS shall mean the Internal Revenue Service.

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

Joint Participation Project (JPP) shall mean the ANPP Valley Transmission System as described in the Participation Agreement, as amended from time to time.

Joint Participant Project Interconnection Facilities (JPP Interconnection Facilities) shall mean all facilities and equipment owned, controlled, or operated by the JPP from Joint Participants from the (Insert Name of Substation/Switchyard) side of the Point of Change of Ownership to the Point of Interconnection as identified in Appendix A to this Large Generator Interconnection Agreement, including any modifications, additions or upgrades to such facilities and equipment. JPP Interconnection Facilities are sole use facilities and shall not include Distribution Upgrade(s), Stand Alone Network Upgrade(s) or Network Upgrade(s).
Joint Participant(s) shall mean the owners of the JPP as defined above, individually or as a group of any one or more, pursuant to the ANPP Valley Transmission System Participation Agreement, as amended from time to time. Joint Participant(s) include the owner(s) designated as the entity(ies) responsible for managing operations, for purposes herein referred to as “Operating Agent(s).”

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

- Large Generation Interconnection Agreement (LGIA) shall mean this ANPP Valley Transmission System Large Generation Interconnection Agreement.

- Large Generation Interconnection Procedures (LGIP) shall mean the ANPP Valley Transmission System Large Generator Interconnection Procedures.

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 this 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: (1) modification to an Interconnection Request in the Queue that have a material impact on the cost or timing of any Interconnection Request with a later queue priority date or equal Queue Position; or (2) a planned modification to an Existing Generating Facility that is undergoing evaluation for a Generating Facility Modification or Generation Replacement, and that has a material impact on the Transmission System, as compared to the impacts of the Existing Generating Facility prior to the modification or replacement. The evaluation may consist of various analyses, including but not limited to, power flow, transient and post-transient stability, power factor, and a short circuit analysis.

Maximum Capacity shall mean the maximum megawatt capacity that the Generating Facility will generate at the Point of Interconnection as verified by the Operating Agent.

Metering Equipment shall mean all metering equipment installed or to be installed at or near the Generating Facility pursuant to this 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.

Mitigation Facility Fee shall mean the fee to be paid by the Interconnection Customer as determined by the Operating Agent in accordance with Appendix K to this Agreement.

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

Network Upgrades shall mean the additions, modifications, and upgrades to the JPP or a Joint Participant’s Transmission System required at or beyond the point at which the Interconnection Facilities connect to the JPP to accommodate the interconnection of the Large Generating Facility to the JPP.
**Network Upgrade() Facilities Study** shall mean a study conducted by the Transmission Provider or its third party consultant to determine a list of facilities required to implement Network Upgrade(s) as identified in the Cluster System Impact Study, the cost of those Network Upgrade(), and the time required to implement those Network Upgrade(s). The scope of the study is defined in Section 8 of the GIP.

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

**Open Access Same-Time Information System** (OASIS) shall mean the information posted on the internet as maintained by transmission providers in accordance with FERC regulations as appropriate Operating Agent.

**Operating Agent(s)** shall mean the Joint Participant(s) designated by the Joint Participants to be responsible for operating work and capital improvements for the JPP.

**Optional Interconnection Study** shall mean a sensitivity analysis based on assumptions specified by the Interconnection Customer in the Optional Interconnection Study Agreement.

**Optional Interconnection Study Agreement** shall mean the form of agreement contained in Appendix 5 of the Large Generator Interconnection Procedures for conducting the Optional Interconnection Study.

**Party or Parties** shall mean Joint Participants, including Operating Agent, Interconnection Customer or any combination of the above.

**Point of Change of Ownership (PCO)** shall mean the point, as set forth in Appendix A to the Large Generator Interconnection Agreement, where the Interconnection Customer's Interconnection Facilities connect to the JPP Interconnection Facilities.

**Point of Interconnection (POI)** shall mean the point, as set forth in Appendix A to the Large Generator Interconnection Agreement, where the Interconnection Facilities connect to the JPP.

**Point of Interconnection Facilities Study** shall mean a study conducted by the Operating Agent or its third party consultant to determine a list of facilities (including JPP Interconnection Facilities), the cost of those facilities and the time required to interconnect the Generating Facility with the JPP. The scope of the study is defined in Section 8 of the GIP.

**Queue Position** shall mean the order of a valid Interconnection Request, relative to all other pending valid Interconnection Requests, that is established for the JPP based upon the date and time of receipt of the valid Interconnection Request by the Operating Agent that Interconnection Customer satisfies all of the requirements of Section 3.3.1 of the GIP.

**Reasonable Efforts** shall mean, with respect to an action required to be attempted or taken by a Party under the 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.
Requested In-Service Date shall mean the Interconnection Customer's requested Initial Service Date.

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

Requested Initial Synchronization Date shall mean the Interconnection Customer's requested Initial Synchronization Date.

Requested Maximum Capacity shall mean the Interconnection Customer's requested total Maximum Capacity at the Point of Interconnection.

Re-Study(ies) shall mean the partial or complete reassessment of an Interconnection Study. The results of a Re-study(ies) supersede and replace in whole or in part the results of the preceding Interconnection Study.

Scoping Meeting shall mean the meeting between representatives of the Interconnection Customer(s) and Operating Agent 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 Point of Interconnection.

Seven Year Queue Limit shall mean that date seven (7) years from the Interconnection Customer's Queue Position date, upon which the Generating Facility is fixed at its Maximum Capacity or the then-current amount of capacity.

Shared Network Upgrade(s) shall mean a Network Upgrade(s) that has been assigned to an Interconnection Customer(s) and is subsequently identified as necessary to accommodate the interconnection of the Generating Facility of an Interconnection Customer(s) in a later Cluster and meets the requirements pursuant to the process outlined in Section 5.3 of the GIP and SRP’s Business Practice(s) posted on OASIS.

Site Control shall mean the land right to develop, construct, operate and maintain the Generating Facility or the land right to develop, construct, operate and maintain the Generating Facility and Interconnection Customer’s Interconnection Facilities in accordance with the GIP and SRP’s Business Practice posted on OASIS.

SRP shall mean Salt River Project Agricultural Improvement and Power District as a Joint Participant and Operating Agent for the JPP.

SRP Business Practice(s) shall mean one or more business practices of SRP as posted on OASIS.

Stand Alone Network Upgrade(s) shall mean Network Upgrade(s) that are not part of an Affected System that an Interconnection Customer may construct without affecting day-to-day operations of the JPP during their construction. Both the Joint Participants and the Interconnection Customer must agree as to what constitutes Stand Alone Network Upgrade(s).
Upgrades and identify them in Appendix A to the Large Generator Interconnection Agreement. If the Joint Participants and Interconnection Customer disagree about whether a particular Network Upgrade(s) is a Stand Alone Network Upgrade(s), the Operating Agent must provide the Interconnection Customer a written technical explanation outlining why the Joint Participants do not consider the Network Upgrade(s) to be a Stand Alone Network Upgrade(s) within fifteen (15) Business Days of its determination.

**Surplus Interconnection Service** shall mean any unneeded portion of Interconnection Service established in a 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 JPP from faults or other electrical disturbances occurring at the Generating Facility and/or (2) the Generating Facility from faults or other electrical system disturbances occurring on the JPP or on other delivery systems or other generating systems to which the JPP is directly connected.

**Transmission System** shall mean the facilities owned, controlled or operated by any entity(ies) that are used to provide transmission service.

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

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

**WECC** is the Western Electric Coordinating Council or its successor organization.

### Article 2. Effective Date, Term, and Termination

#### 2.1 Effective Date.

This LGIA Agreement shall become effective upon execution by the Parties subject to acceptance by FERC, if applicable. Those Joint Participants who are FERC-jurisdictional shall promptly file this LGIA Agreement with FERC upon execution in accordance with Article 3.1.3 of this Agreement, if required.

#### 2.2 Term of Agreement.

This LGIA Agreement shall remain in effect unless and until terminated as provided for in Article 2.3 herein.
2.3. Termination Procedures.

2.3.1. Written Notice.

This LGIA Agreement shall terminate upon the first of the following events to occur: (i) the termination of the ANPP Valley Transmission System Participation Agreement; (ii) written agreement of all Parties to terminate this Agreement; (iii) termination of this Agreement pursuant to Article 22 (Default) herein of this Agreement; or (iv) upon no less than ninety (90) Calendar Days advance written notice of termination from Interconnection Customer to Operating Agent; or (v) by Operating Agent after the Generating Facility permanently ceases Commercial Operation. For purposes of the foregoing, the ANPP Valley Transmission System Participation Agreement shall not be deemed to have terminated at any time when (i) the JPP is being operated in substantially the same manner as on the Interconnection Facilities In-Service Date and (ii) an agreement pertaining to the operation of the JPP is in effect among the Joint Participants on substantially the same terms as on the Interconnection Facilities In-Service Date. Notwithstanding the foregoing, this Agreement shall not be terminated if the Interconnection Customer has been approved for replacing or modifying its Generating Facility per Section 3.11 of the GIP until the Agreement associated with the Replacement Facility is in effect.

2.3.2. Default.

Prior to the termination of this Agreement by termination of the Development and Operating Agreement, the Joint Participants agree to negotiate in good faith with Interconnection Customer and to proceed with due diligence to develop a replacement agreement which provides similar benefits to the Parties under substantially the same terms and conditions as this Agreement.

2.3.3. Compliance with Applicable Laws and Regulations.

Notwithstanding Article 2.3, Articles 2.3.1 and 2.3.2, no termination shall become effective until the Parties have complied with all Applicable Laws and Regulations applicable to such termination, including, if necessary, the filing with FERC of a notice of termination of this Agreement, which notice has been accepted for filing by FERC.

2.4. Termination Costs.

2.5. Termination Costs. If a Party elects to terminate this Agreement pursuant to Article 2.3 above, each Party shall pay all costs incurred (including any cancellation costs relating to orders or contracts for Interconnection Facilities and equipment) or charges assessed by the other Party, as of the date of the other Party's receipt of such notice of termination, that are the responsibility of the Terminating Party under this LGIA. In the event of termination by a Party, the Parties shall use commercially...
Reasonable Efforts to mitigate the costs, damages and charges arising as a consequence of termination. Upon termination of this LGIA:

2.4.1. 2.5.1 With respect to any portion of JPP Interconnection Facilities that have not yet been constructed or installed, Operating Agent shall to the extent possible and with Interconnection Customer’s authorization cancel any pending orders of, or return, any materials or equipment for, or contracts for construction of, such facilities; provided that in the event Interconnection Customer elects not to authorize such cancellation, Interconnection Customer shall assume all payment obligations with respect to such materials, equipment, and contracts, and Operating Agent shall deliver such material and equipment, and, if necessary, assign such contracts, to Interconnection Customer as soon as practicable, at Interconnection Customer’s expense. To the extent that Interconnection Customer has already paid Operating Agent for any or all such costs of materials or equipment not taken by Interconnection Customer, Operating Agent shall promptly refund such amounts to Interconnection Customer, less any costs, including penalties incurred by Operating Agent to cancel any pending orders of or return such materials, equipment, or contracts.

If the Interconnection Customer terminates this LGIA Agreement, it shall be responsible for all costs incurred in association with such interconnection, including any cancellation costs relating to orders or contracts for Interconnection Facilities and equipment, and other expenses including any Network Upgrades for which Operating Agent has incurred expenses and has not been reimbursed by Interconnection Customer.

2.4.2. 2.5.2 Operating Agent may, at its option, retain any portion of such materials, equipment, or facilities that Interconnection Customer chooses not to accept delivery of, in which case Operating Agent shall be responsible for all costs associated with procuring such materials, equipment, or facilities.

2.4.3. 2.5.3 With respect to any portion of the Interconnection Facilities, and any other facilities already installed or constructed pursuant to the terms of this LGIA Agreement, Interconnection Customer shall be responsible for all costs associated with the removal, relocation or other disposition or retirement of such materials, equipment, or facilities.

2.5. Disconnection.

2.6 Disconnection—Upon termination of this LGIA Agreement, the Parties will take all appropriate steps to disconnect the Large-Generating Facility from the JPP Transmission System. All costs required to effectuate such disconnection shall be borne by the terminating Party, unless such termination resulted from the JPP’s non-terminating Party’s Default of this LGIA or the JPP Agreement or the non-terminating Party otherwise is responsible for these costs under this LGIA Agreement.
2.6. Survival.

2.7 Survival—This LGIA Agreement shall continue in effect after termination to the extent necessary to provide for final billings and payments and for costs incurred hereunder, including billings and payments pursuant to this LGIA Agreement; to permit the determination and enforcement of liability and indemnification obligations arising from acts or events that occurred while this LGIA Agreement was in effect; and to permit each Party to have access to the lands of the other Party pursuant to this LGIA Agreement or other applicable agreements, to disconnect, remove or salvage its own facilities and equipment.


3.1 Filing—Joint Participants, individually or collectively, Each FERC-jurisdictional Party shall file this LGIA Agreement (and any amendment hereto) with the appropriate Governmental Authority, if required. If no Joint Participant is required to file this LGIA (and any amendment hereto) with a Governmental Authority with which Interconnection Customer is required to make such a filing, Interconnection Customer may file this Agreement (and any amendment hereto) on its own behalf. The JPP or Interconnection Customer may request that any information so provided be subject to the confidentiality provisions of Article 24 herein. The Parties shall reasonably cooperate with respect to any such filing and provide any information reasonably requested by any Party as needed to comply with Applicable Laws and Regulations applicable regulatory requirements.


4.1 Provision of Service. JPP

The Joint Participants shall provide Interconnection Service for the Large Generating Facility at the Point of Interconnection. Interconnection Service shall not exceed the Maximum Capacity as specified in Appendix C to this Agreement.

4.2 Performance Standards.

Each Party shall perform all of its obligations under this LGIA Agreement in accordance with Applicable Laws and Regulations, Applicable Reliability Standards, and Good Utility Practice, and to the extent a Party is required or prevented or limited in taking any action by such regulations and standards, such Party shall not be deemed to be in Breach of this LGIA Agreement for its compliance therewith.

4.3 No Transmission Delivery Service.

The execution of this LGIA Agreement does not constitute a request for, nor the provision of, any transmission delivery service under any Joint Participant’s open access transmission tariff, and does not convey any right to deliver electricity to any specific customer or Point of Delivery.
4.4  Interconnection Customer Provided Services.

The services provided by Interconnection Customer under this Agreement are set forth in Article 9.6 and Article 13.5.1 Section 11.6 and Section 15.4.1. Interconnection Customer shall be paid for such services in accordance with Article 11.6 Section 13.7.


5.1  Options.

5.1.1  Standard Option.

5.2  JPP Interconnection Facilities.  JPP Operating Agent shall design, procure, and construct JPP’s Interconnection Facilities and Network Upgrades, using Reasonable Efforts to complete such JPP Interconnection Facilities and Network Upgrade(s) by the dates set forth in Appendix B, Milestones.  JPP Operating Agent shall not be required to undertake any action which is inconsistent with its standard safety practices, its material and equipment specifications, its design criteria and construction procedures, its labor agreements, and Applicable Laws and Regulations. In the event JPP Operating Agent reasonably expects that it will not be able to complete JPP Interconnection Facilities and Network Upgrades Upgrade(s) by the specified dates, JPP Operating Agent shall promptly provide written notice to Interconnection Customer and shall undertake Reasonable Efforts to meet the earliest dates thereafter.

5.1.2  Alternate Option.

If the dates designated by Interconnection Customer are acceptable to Joint Participants, Operating Agent shall so notify Interconnection Customer within thirty
5.1.3. **Option to Build.**

Interconnection Customer shall have the option to assume responsibility for the design, procurement and construction of a portion of the JPP’s Interconnection Facilities as described in the SRP Business Practice and Stand Alone Network Upgrade(s) on the dates specified in Article 5.1.2. Operating Agent and Interconnection Customer must agree as to what constitutes Stand Alone Network Upgrade(s) and identify such Stand Alone Network Upgrade(s) in Appendix A to this Agreement. Except for Stand Alone Network Upgrade(s), Interconnection Customer shall have no right to construct Network Upgrade(s) under this option. Operating Agent and Interconnection Customer must agree as to what constitutes Stand Alone Network Upgrade(s) and identify such Stand Alone Network Upgrade(s) in Appendix A to this Agreement. Except for Stand Alone Network Upgrade(s), Interconnection customer shall have no right to construct Network Upgrade(s) under this option.

5.1.4. **Negotiated Option.**

If the dates designated by Interconnection Customer are not acceptable to Joint Participants, the Parties may in good faith attempt to negotiate terms and conditions (including revision of the specified dates, the provision of incentives, or the procurement and construction of all facilities other than JPP’s Interconnection Facilities and Stand Alone Network Upgrade(s) if the Interconnection Customer elects to exercise the Option to Build under Article 5.1.3). If the Parties are unable to reach agreement on such terms and conditions, then pursuant to Article 5.1.1, Operating Agent shall assume responsibility for the design, procurement and construction of all facilities other than JPP’s Interconnection Facilities and Stand Alone Network Upgrade(s) if the Interconnection Customer elects to exercise the Option to Build.

5.2. **General Conditions Applicable to Option to Build.**

As described further in SRP Business Practices posted on OASIS, if Interconnection Customer assumes responsibility for the design, procurement and construction of a portion of the JPP’s Interconnection Facilities:

1. Interconnection Customer shall engineer, procure equipment, and construct JPP’s Interconnection Facilities and Stand Alone Network Upgrade(s) (or portions thereof) using Good Utility Practice, approved equipment vendors, and using standards and specifications provided by Operating Agent.

2. Interconnection Customer’s engineering, procurement and construction of JPP’s Interconnection Facilities and Stand Alone Network Upgrade(s) shall comply with all requirements of law to which Operating Agent would be subject in the engineering, procurement or construction of JPP Interconnection Facilities and Stand Alone Network Upgrade(s):
3. Joint Participants shall review and approve the engineering design, equipment acceptance tests, and the construction of JPP Interconnection Facilities and Stand Alone Network Upgrade(s);

4. Prior to commencement of construction, Interconnection Customer shall provide to Operating Agent a schedule for construction of JPP’s Interconnection Facilities and Stand Alone Network Upgrade(s), and shall promptly respond to requests for information from Operating Agent;

5. At any time during construction, Operating Agent shall have the right to gain unrestricted access to JPP’s Interconnection Facilities and Stand Alone Network Upgrade(s) and to conduct inspections of the same;

6. At any time during construction, should any phase of the engineering, equipment procurement, or construction of JPP’s Interconnection Facilities and Stand Alone Network Upgrade(s) not meet the standards and specifications provided by Operating Agent, Interconnection Customer shall be obligated to remedy deficiencies in that portion of JPP’s Interconnection Facilities and Stand Alone Network Upgrade(s) before continuing any further activity;

7. Interconnection Customer shall indemnify Joint Participants for claims arising from Interconnection Customer’s construction of JPP’s Interconnection Facilities and Stand Alone Network Upgrade(s) under the terms and procedures applicable to Article 23 of this Agreement;

8. Interconnection Customer shall transfer control of JPP’s Interconnection Facilities and Stand Alone Network Upgrade(s) to the Joint Participants;

9. Unless Parties otherwise agree, Interconnection Customer shall transfer ownership of JPP’s Interconnection Facilities and Stand Alone Network Upgrade(s) to Joint Participants;

10. Joint Participants shall approve and accept for operation and maintenance JPP’s Interconnection Facilities and Stand Alone Network Upgrade(s) to the extent engineered, procured, and constructed in accordance with this Article 5.2;

11. Interconnection Customer shall deliver to Operating Agent “as-built” drawings, information, and any other documents that are reasonably required by Joint Participants to assure that the Interconnection Facilities and Stand Alone Network Upgrade(s) are built to the standards and specifications required by Joint Participants; and

12. If Interconnection Customer exercises the Option to Build pursuant to Article 5.1.3, Interconnection Customer shall pay Operating Agent the actual amount of costs for Operating Agent to execute the responsibilities enumerated to Operating Agent under this Article 5.2.
5.3. **Additional Contracts.**

Joint Participants and Interconnection Customer may enter into additional contracts as appropriate for activities related to engineering, procurement and construction of Interconnection Facilities and Network Upgrade(s).

5.4. **Power System Stabilizers.**

The Interconnection Customer shall procure, install, maintain and operate power system stabilizers in accordance with the guidelines and procedures established by the Applicable Reliability Standards. Operating Agent reserves the right to reasonably establish minimum acceptable settings for any installed power system stabilizers, subject to the design and operating limitations of the Generating Facility. If the Generating Facility’s power system stabilizers are removed from service or not capable of automatic operation, Interconnection Customer shall immediately notify the Operating Agent’s system operator, or its designated representative.

5.5. **Equipment Procurement.**

- **5.2.1 Equipment Procurement.** If responsibility for construction of JPP's Interconnection Facilities or Network Upgrade(s) is to be borne by Operating Agent, then Operating Agent shall commence design of JPP Interconnection Facilities or Network Upgrade(s) and procure necessary equipment as soon as practicable after all of the following conditions are satisfied, unless the Parties otherwise agree in writing:

  5.5.1. Operating Agent has completed all required studies pursuant to the GIP:

    5.2.1.1 The Interconnection Facilities Study, if performed, has been completed pursuant to the Interconnection Facilities Study Agreement;

    5.2.1.2 JPP Operating Agent has received written authorization to proceed with design and procurement from Interconnection Customer by the date specified in Appendix B, Milestones to this Agreement or in the EPC Agreement; and

    5.2.1.3 Interconnection Customer has provided security to JPP Operating Agent in accordance with Article 13.5 by the dates specified in Appendix B, Milestones to this Agreement or in the EPC Agreement.

5.6. **5.3 Construction Commencement.** JPP

Operating Agent shall commence construction of JPP Interconnection Facilities and Network Upgrade(s) for which it is responsible as soon as practicable after the following additional conditions are satisfied:

  5.6.1. Approval of the appropriate Governmental Authority has been obtained for any facilities requiring regulatory approval;

  5.6.2. Necessary real property rights and rights-of-way have been obtained, to the extent required for the construction of a discrete aspect of JPP Interconnection Facilities and Network Upgrade(s);
5.6.3. JPP Operating Agent has received written authorization to proceed with construction from Interconnection Customer by the date specified in Appendix B, Milestones to this Agreement; and

5.6.4. Interconnection Customer has provided security to JPP Operating Agent in accordance with Article 13.5.13.6 by the dates specified in Appendix B, Milestones to this Agreement.

5.7. Interconnection Customer’s Interconnection Facilities.

Interconnection Customer shall, at its expense, design, procure, construct, own and install Interconnection Customer’s Interconnection Facilities, as set forth in Appendix A to this Agreement.

5.7.1. Interconnection Customer’s Interconnection Facilities Specifications.

Interconnection Customer shall submit initial specifications for the Interconnection Customer’s Interconnection Facilities, including System Protection Facilities, to Operating Agent at least one hundred eighty (180) Calendar Days prior to the Requested In-Service Date; and final specifications for review and comment at least ninety (90) Calendar Days prior to the Requested Initial Synchronization Date. Operating Agent shall review such specifications to ensure that Interconnection Customer’s Interconnection Facilities are compatible with the technical specifications, operational control, and safety requirements of Operating Agent and comment on such specifications within thirty (30) Calendar Days of Interconnection Customer’s submission. All specifications provided hereunder shall be deemed confidential.

5.7.2. Operating Agent’s Review.

Operating Agent’s review of Interconnection Customer’s final specifications shall not be construed as confirming, endorsing, or providing a warranty as to the design, fitness, safety, durability or reliability of the Generating Facility, or Interconnection Customer’s Interconnection Facilities. Interconnection Customer shall make such changes to Interconnection Customer’s Interconnection Facilities as may reasonably be required by Operating Agent, in accordance with Good Utility Practice, to ensure that Interconnection Customer’s Interconnection Facilities are compatible with the technical specifications, operational control, and safety requirements of the JPP.

5.7.3. JPP Interconnection Customer’s Interconnection Facilities Construction.

Interconnection Customer’s Interconnection Facilities shall be designed and constructed in accordance with Good Utility Practice. Within one hundred twenty (120) Calendar Days after the Commercial Operation Date, unless the Parties agree on another mutually acceptable deadline, Interconnection Customer shall deliver to Operating Agent “as-built” drawings, information and documents for Interconnection Customer’s Interconnection Facilities, such as: a one-line diagram, a site plan showing the Generating Facility and Interconnection
Customer's Interconnection Facilities, plan and elevation drawings showing the layout of Interconnection Customer's Interconnection Facilities, a relay functional diagram, relaying AC and DC schematic wiring diagrams and relay settings for all facilities associated with Interconnection Customer's step-up transformers, the facilities connecting the Generating Facility to the step-up transformers and Interconnection Customer's Interconnection Facilities, and the impedances (determined by factory tests) for the associated step-up transformers and the Generating Facility. The Interconnection Customer shall provide Operating Agent with specifications for the excitation system, automatic voltage regulator, Generating Facility control and protection settings, transformer tap settings, and communications, if applicable.

5.8. JPP Interconnection Facilities Construction.

JPP Interconnection Facilities shall be designed and constructed in accordance with Good Utility Practice. Upon request, within one hundred twenty (120) Calendar Days after the Commercial Operation Date, unless the Parties agree on another mutually acceptable deadline, JPP Operating Agent shall deliver to Interconnection Customer records of installed equipment (“as-built”) drawings, information and documents for JPP Interconnection Facilities, including such appropriate drawings and relay diagrams as are customarily provided under Good Utility Practice and Applicable Laws and Regulations.

5.5 Control of JPP. Joint Participant’s will obtain control of JPP’s Interconnection Facilities and Stand Alone Network Upgrades. JPP will retain operational control of JPP Interconnection Facilities and Stand Alone Network Upgrades upon completion of such facilities.

5.6 Work Progress.

The Parties will keep each other advised periodically as to the progress of their respective design, procurement and construction efforts. Either Party may, at any time, request a progress report from the other Party. If, at any time, Interconnection Customer determines that the completion of JPP Interconnection Facilities will not be required until after the specified Requested In-Service Date, Interconnection Customer will provide written notice to JPP Operating Agent of such later date upon which the completion of JPP Interconnection Facilities will be required.

5.7 Information Exchange.

As soon as reasonably practicable after the Effective Date, the Parties shall exchange information regarding the design and compatibility of the Parties’ Interconnection Facilities and compatibility of the Interconnection Facilities with the JPP, and shall work diligently and in good faith to make any necessary design changes.

5.8 Limited Operation.

If any of JPP Interconnection Facilities or Network Upgrades(s) are not reasonably expected to be completed prior to the Commercial Operation Requested Initial Synchronization Date of the Large Generating Facility, the Joint Participants or Operating Agent shall, upon the request and at the expense of Interconnection Customer, perform operating studies on a timely
basis to determine the extent to which the Large-Generating Facility and Interconnection Customer’s Interconnection Facilities may operate prior to the completion of JPP Interconnection Facilities or Network Upgrade(s) consistent with Applicable Laws and Regulations, Applicable Reliability Standards, Good Utility Practice, and this LGIA. JPP Agreement. Operating Agent shall permit Interconnection Customer to operate the Large-Generating Facility and Interconnection Customer's Interconnection Facilities in accordance with the results of such studies.

5.12. Land of Other Property Owners.

If any part of JPP Interconnection Facilities and/or Network Upgrade(s) is to be installed on property owned by persons other than Interconnection Customer or Joint Participants, Operating Agent shall at Interconnection Customer’s expense use efforts, similar in nature and extent to those that it typically undertakes on its own behalf or on behalf of its Affiliates, including use of its eminent domain authority, and to the extent consistent with state law to procure from such persons any rights of use, licenses, rights of way and easements that are necessary to construct, operate, maintain, test, inspect, replace or remove JPP Interconnection Facilities and/or Network Upgrade(s) upon such property.

5.13. Access Rights

5.9 Interconnection Customer's Interconnection Facilities ('ICIF'). Interconnection Customer shall, at its expense, design, procure, construct, own and install the ICIF, as set forth in Appendix A, Interconnection Facilities, Network Upgrades and Distribution Upgrades.

5.9.1 Interconnection Customer’s Interconnection Facility Specifications.

Interconnection Customer shall submit initial specifications for the ICIF, including System Protection Facilities, to Operating Agent at least one hundred eighty (180) Calendar Days prior to the Initial Synchronization Date; and final specifications for review and comment at least ninety (90) Calendar Days prior to the Initial Synchronization Date. Operating Agent shall review such specifications to ensure that the ICIF are compatible with the technical specifications, operational control, and safety requirements of JPP and comment on such specifications within thirty (30) Calendar Days of Interconnection Customer's submission. All specifications provided hereunder shall be deemed confidential.

- Notwithstanding the forgoing, the Interconnection Customer shall procure, install, maintain and operate System Protection Facilities in accordance with the guidelines and procedures established by the Applicable Laws and Regulations. JPP reserves the right to reasonably establish minimum acceptable settings for any installed System Protection Facilities, subject to the design and operating limitations of the Large Generating Facility. If the Large Generating Facility’s System Protection Facilities are removed from service or not capable of automatic operation, Interconnection Customer shall immediately notify the Operating Agent. The requirements of this paragraph shall not apply to wind generators.
5.9.2 JPP's Review. JPP's review of Interconnection Customer's final specifications shall not be construed as confirming, endorsing, or providing a warranty as to the design, fitness, safety, durability or reliability of the Large Generating Facility, or the ICIF. Interconnection Customer shall make such changes to the ICIF as may reasonably be required by JPP, in accordance with Good Utility Practice, to ensure that the ICIF are compatible with the technical specifications, operational control, and safety requirements of JPP.

5.9.3 ICIF Construction. The ICIF shall be designed and constructed in accordance with Good Utility Practice. Within one hundred twenty (120) Calendar Days after the Commercial Operation Date, unless the Parties agree on another mutually acceptable deadline, Interconnection Customer shall deliver to Operating Agent records of installed equipment ("as-built") drawings, information and documents for the ICIF, such as: a one-line diagram, a site plan showing the Large Generating Facility and the ICIF, plan and elevation drawings showing the layout of the ICIF, a relay functional diagram, relaying AC and DC schematic wiring diagrams and relay settings for all facilities associated with Interconnection Customer's step-up transformers, the facilities connecting the Large Generating Facility to the step-up transformers and the ICIF, and the impedances (determined by factory tests) for the associated step-up transformers and the Large Generating Facility. The Interconnection Customer shall provide Operating Agent with specifications for the excitation system, automatic voltage regulator, Large Generating Facility control and protection settings, transformer tap settings, and communications, if applicable.

5.10 Access Rights. Upon reasonable notice and supervision by a Party, and subject to any required or necessary regulatory approvals, a Party ("Granting Party") shall furnish at no cost to the other Party ("Access Party") any rights of use, licenses, rights of way and easements with respect to lands owned or controlled by the Granting Party, its agents (if allowed under the applicable agency agreement), or any Affiliate, that are necessary to enable the Access Party to obtain ingress and egress to construct, operate, maintain, repair, test (or witness testing), inspect, replace or remove facilities and equipment to: (i) interconnect the Large Generating Facility with the JPP; (ii) operate and maintain the Large Generating Facility and the Interconnection Facilities; and (iii) disconnect or remove the Access Party's facilities and equipment upon termination of this LGIA Agreement. In exercising such licenses, rights of way and easements, the Access Party shall not unreasonably disrupt or interfere with normal operation of the Granting Party's business and shall adhere to the safety rules and procedures established in advance, as may be changed from time to time, by the Granting Party and provided to the Access Party. Such Access Rights shall be subject to modification and relocation by the Joint Participants as described in Article 5.1 of this Agreement and shall each terminate without further act of any Party upon termination of this Agreement. Upon such termination, each grantee under the applicable Access Right shall, at the request of Operating Agent, execute and deliver to the requesting Party in recordable form an instrument evidencing such termination.
5.14 Permits.

Lands of Other Property Owners—If any part of JPP Interconnection Facilities and/or Network Upgrades is to be installed on property owned by persons other than Interconnection Customer or JPP, JPP shall at Interconnection Customer's expense use efforts, similar in nature and extent to those that it typically undertakes on its own behalf or on behalf of its Affiliates, including use of its eminent domain authority, and to the extent consistent with state law, as applicable, to procure from such persons any rights of use, licenses, rights of way and easements that are necessary to construct, operate, maintain, test, inspect, replace or remove JPP Interconnection Facilities and/or Network Upgrades upon such property. The Interconnection Customer bears sole responsibility for obtaining all permits, licenses and authorizations required for the requested interconnection, unless otherwise specifically noted in Appendix B to this Agreement.

Permits—The LGIA shall specify in Appendix B the allocation of the responsibilities of the Operating Agent and Interconnection Customer to obtain all permits, licenses, and authorizations necessary to accomplish the interconnection in compliance with Applicable Laws and Regulations. The Operating Agent and Interconnection Customer shall cooperate with each other in good faith to obtain any such permits, licenses and authorizations. With respect to this paragraph, Operating Agent shall provide, at Interconnection Customer’s expense, permitting assistance to Interconnection Customer comparable to that provided to any Joint Participant’s own, or an Affiliate's generation.

5.13 Early Construction of Base Case Facilities.

Interconnection Customer may request JPP Operating Agent to construct, and JPP Operating Agent shall construct, using Reasonable Efforts to accommodate Interconnection Customer’s Requested In-Service Date, all or any portion of any Network Upgrade(s) required for Interconnection Customer to be interconnected to the JPP, with such Network Upgrade(s) being those—which are included in the Base Case of the Interconnection Facilities Study for Interconnection Customer, and which also are required to be constructed for another Interconnection Customer, but where such construction is not scheduled to be completed in time to achieve Interconnection Customer’s Requested In-Service Date.

5.16 Suspension.

Suspension—Interconnection Customer reserves the right, upon written notice to Operating Agent, to suspend at any time all work by JPP Operating Agent associated with the construction and installation of JPP Interconnection Facilities and/or Network Upgrade(s) required under this LGIA Agreement with the condition that the JPP shall be left in a safe and reliable condition in accordance with Good Utility Practice and JPP’s Operating Agent’s safety and reliability criteria. In such event, Interconnection Customer shall be responsible for all reasonable and necessary costs which Operating Agent (i) has incurred pursuant to this LGIA Agreement prior to the suspension and (ii) incurs in suspending such work, including any costs incurred to perform such work as may be necessary to ensure the safety of persons and
property and the integrity of the JPP during such suspension and, if applicable, any costs incurred in connection with the cancellation or suspension of material, equipment and labor contracts which Operating Agent cannot reasonably avoid; provided, however, that prior to canceling or suspending any such material, equipment or labor contract, Operating Agent shall obtain Interconnection Customer’s authorization to do so.

Operating Agent shall invoice Interconnection Customer for such costs pursuant to Article 17 and shall use due diligence to minimize its costs. In the event Interconnection Customer suspends work by JPP Operating Agent required under this LGIA Agreement pursuant to this Article 5.14.16, and has not requested JPP Operating Agent to recommence the work required under this LGIA Agreement on or before the expiration of three (3) years following commencement of such suspension, this LGIA Agreement shall be deemed terminated. The three-year period shall begin on the date the suspension is requested, or the date of the written notice to Operating Agent, if no effective date is specified.

Notwithstanding the foregoing, nothing in this section supersedes, modifies or tolls the requirements set forth in Section 3.3.2 of the GIP associated with this Agreement. At the end of the Seven Year Queue Limit, the amount of capacity actually in service shall be reflected in Appendix C to this Agreement as the maximum interconnection service allowed.

**Article 6. Taxes.**

6.1 Interconnection Customer Payments Not Taxable.

The Parties intend that all payments or property transfers made by Interconnection Customer to JPP Joint Participants for the installation of JPP Interconnection Facilities and the Network Upgrade(s) shall be non-taxable, either as contributions to capital, or as an advance, in accordance with the Internal Revenue Code and any applicable state income tax laws and shall not be taxable as contributions in aid of construction or otherwise under the Internal Revenue Code and any applicable state income tax laws, including any applicable laws for Joint Participants which are municipal entities.

6.2 Representations and Covenants.

6.2 Representations and Covenants.—In accordance with IRS Notice 2001-82 and IRS Notice 88-129, Interconnection Customer represents and covenants that (i) ownership of the electricity generated at the Large Generating Facility will pass to another party prior to the transmission of the electricity on the Transmission System JPP, (ii) for income tax purposes, the amount of any payments and the cost of any property transferred to JPP Joint Participants for JPP Interconnection Facilities will be capitalized by Interconnection Customer as an intangible asset and recovered using the straight-line method over a useful life of twenty (20) years, and (iii) any portion of JPP Interconnection Facilities that is a “dual-use intertie,” within the meaning of IRS Notice 88-129, is reasonably expected to carry only a de minimis amount of electricity in the direction of the Large Generating Facility. For this purpose, “de minimis amount” means no more than five (5%) percent of the total power flows in both directions, calculated in accordance with the “5 percent test” set forth in IRS Notice 88-129. This is not intended to be an exclusive list of the relevant conditions that must be met to conform to IRS requirements for non-taxable treatment.
At JPP’s request, Interconnection Customer shall provide JPP Operating Agent with a report from an independent engineer confirming its representation in clause (iii), above. Each Joint Participant represents and covenants that the cost of JPP Interconnection Facilities paid for by Interconnection Customer will have no net effect on the base upon which rates are determined.

6.3 Indemnification for the Cost Consequences of Current Tax Liability Imposed Upon the JPP: Joint Participants.

Notwithstanding Article 6.1, Interconnection Customer shall protect, indemnify and hold harmless JPP Joint Participants from the cost consequences of any current tax liability imposed against JPP Joint Participants as the result of payments or property transfers made by Interconnection Customer to JPP Joint Participants under this LGIA Agreement for Interconnection Facilities, as well as any interest and penalties, other than interest and penalties attributable to any delay caused by JPP Operating Agent and Joint Participants.

The JPP Operating Agent shall not include a gross-up for the cost consequences of any current tax liability in the amounts it charges Interconnection Customer under this LGIA Agreement unless (i) JPP Joint Participants have determined, in good faith, that the payments or property transfers made by Interconnection Customer to JPP Joint Participants should be reported as income subject to taxation or (ii) any Governmental Authority directs JPP Joint Participants to report payments or property as income subject to taxation including State and local taxes; provided, however, that JPP Operating Agent may require Interconnection Customer to provide security for Interconnection Facilities, in a form reasonably acceptable to the JPP Operating Agent (such as a parental guarantee or a letter of credit), in an amount equal to the cost consequences of any current tax liability under this Article 6. Interconnection Customer shall reimburse the JPP for such costs on a fully grossed-up basis, in accordance with Article 6.4 herein, within thirty (30) Calendar Days of receiving written notification from Operating Agent of the amount due, including detail about how the amount was calculated.

The indemnification obligation shall terminate at the earlier of (1) the expiration of the ten year testing period and the applicable statute of limitation, as it may be extended by JPP Operating Agent upon request of the IRS, to keep these years open for audit or adjustment, or (2) the occurrence of a subsequent taxable event and the payment of any related indemnification obligations as contemplated by this Article 6.

6.4 Tax Gross-Up Amount.

Interconnection Customer’s liability for the cost consequences of any current tax liability under this Article 6 shall be calculated on a fully grossed-up basis. Except as may otherwise be agreed to by the parties, this means that Interconnection Customer will pay JPP Operating Agent, in addition to the amount paid for the Interconnection Facilities and Network Upgrade(s), an amount equal to (1) the current taxes imposed on JPP ("any Joint Participant (Current Taxes") on the excess of (a) the gross income realized by JPP any such Joint Participant as a result of payments or property transfers made by Interconnection Customer to JPP under this LGIA Agreement (without regard to any payments under this Article 6) (the "Gross Income
Amount") over (b) the present value of future tax deductions for depreciation that will be available as a result of such payments or property transfers (the "Present Value Depreciation Amount"), plus (2) an additional amount sufficient to permit JPP Joint Participant(s) to receive and retain, after the payment of all Current Taxes, an amount equal to the net amount described in clause (1). Any such payments received by Operating Agent shall be distributed to the affected Joint Participant(s).

For this purpose, for each Joint Participant, (i) Current Taxes shall be computed as to the Joint Participant’s share of payments or property transfers received based on JPP’s Joint Participant’s composite federal and state tax rates at the time the payments or property transfers are received and JPP any such Joint Participant will be treated as being subject to tax at the highest marginal rates in effect at that time (the "Current Tax Rate"), and (ii) the Present Value Depreciation Amount shall be computed by discounting JPP Joint Participant(s) anticipated tax depreciation deductions as a result of such payments or property transfers by JPP’s such Joint Participant’s current weighted average cost of capital. Thus, the formula for calculating Interconnection Customer’s liability to JPP Operating Agent and/or each affected Joint Participant pursuant to this Article 6 can be expressed as follows: (Current Tax Rate x (Gross Income Amount – Present Value of Tax Depreciation)/(1- Current Tax Rate). Interconnection Customer’s estimated tax liability in the event taxes are imposed shall be stated in Appendix A, Interconnection Facilities, Network Upgrades and Distribution Upgrades to this Agreement.

6.5. —Private Letter Ruling or Change or Clarification of Law.

At Interconnection Customer’s request and expense, Operating Agent any, or all of the Joint Participant(s) shall file with the IRS a request for a private letter ruling as to whether any property transferred or sums paid, or to be paid, by Interconnection Customer to JPP Joint Participant(s) under this LGIA Agreement are subject to federal income taxation. Interconnection Customer will prepare the initial draft of the request for a private letter ruling, and will certify under penalties of perjury that all facts represented in such request are true and accurate to the best of Interconnection Customer’s knowledge. Operating Agent Joint Participant(s) and Interconnection Customer shall cooperate in good faith with respect to the submission of such request.

Operating Agent The affected Joint Participant(s) shall keep Interconnection Customer fully informed of the status of such request for a private letter ruling and, as allowed by law, shall execute either a privacy act waiver or a limited power of attorney, in a form acceptable to the IRS, that authorizes Interconnection Customer to participate in all discussions with the IRS regarding such request for a private letter ruling. Operating Agent The Joint Participant(s) shall allow Interconnection Customer to attend all meetings with IRS officials about the request and shall permit Interconnection Customer to prepare the initial drafts of any follow-up letters in connection with the request.

6.6. —Subsequent Taxable Events.

If, within ten (10) years from the date on which the relevant JPP Interconnection Facilities are placed in service, (i) Interconnection Customer Breaches the covenants contained in Article 6.2 herein, (ii) a “disqualification event” occurs within the meaning of IRS Notice 88-129, or
(iii) this LGIA Agreement terminates and JPP retains Joint Participants retain ownership of the Interconnection Facilities and Network Upgrade(s), Interconnection Customer shall pay a tax gross-up for the cost consequences of any current tax liability imposed on JPP any Joint Participant, calculated using the methodology described in Article 6.4 herein and in accordance with IRS Notice 90-60 2016-36.

6.7 Contests.

In the event any Governmental Authority determines that JPP any Joint Participant’s receipt of payments or property constitutes income that is subject to taxation, Operating Agent shall, upon notification from such Joint Participant(s), shall notify Interconnection Customer, in writing, within thirty (30) Calendar Days of receiving notification of such determination by a Governmental Authority. Upon the timely written request by Interconnection Customer and at Interconnection Customer’s sole expense, Operating Agent or affected Joint Participant(s), as permissible, may appeal, protest, seek abatement of, or otherwise oppose such determination. Upon Interconnection Customer’s written request and sole expense, Operating Agent or applicable Joint Participant, as permissible, may file a claim for refund with respect to any taxes paid under this Article 6, whether or not it has received such a determination. JPP reserve The affected Joint Participant(s) reserves the right to make all decisions with regard to the prosecution of such appeal, protest, abatement or other contest, including the selection of counsel and compromise or settlement of the claim, but such Joint Participant(s) through Operating Agent shall keep Interconnection Customer informed, shall consider in good faith suggestions from Interconnection Customer about the conduct of the contest, and shall reasonably permit Interconnection Customer or an Interconnection Customer representative to attend contest proceedings.

Interconnection Customer shall pay to JPP Operating Agent on a periodic basis, as invoiced by Operating Agent, JPP the affected Joint Participant’s documented reasonable costs of prosecuting such appeal, protest, abatement or other contest. At any time during the contest, JPP the affected Joint Participant(s) may agree to a settlement either with Interconnection Customer’s consent or after obtaining written advice from nationally-recognized tax counsel, selected by JPP the affected Joint Participant(s), but reasonably acceptable to Interconnection Customer, that the proposed settlement represents a reasonable settlement given the hazards of litigation. Interconnection Customer’s obligation shall be based on the amount of the settlement agreed to by Interconnection Customer, or if a higher amount, so much of the settlement that is supported by the written advice from nationally-recognized tax counsel selected under the terms of the preceding sentence. The settlement amount shall be calculated on a fully grossed-up basis to cover any related cost consequences of the current tax liability. Any settlement without Interconnection Customer’s consent or such written advice will relieve Interconnection Customer from any obligation to indemnify JPP Joint Participant(s) for the tax at issue in the contest.

6.8 Refund.

In the event that (a) a private letter ruling is issued to JPP the affected Joint Participant(s) which holds that any amount paid or the value of any property transferred by Interconnection Customer to JPP the affected Joint Participant(s) under the terms of this LGIA Agreement is not subject to federal income taxation, (b) any legislative change or administrative announcement, notice, ruling or other determination makes it reasonably clear to JPP Joint Participant(s) in good faith that any amount paid or the value of any property transferred by Interconnection Customer to JPP the
affected Joint Participant(s) under the terms of this LGIA Agreement is not taxable to JPP the affected Joint Participant(s). (c) any abatement, appeal, protest, or other contest results in a determination that any payments or transfers made by Interconnection Customer to JPP the affected Joint Participant are not subject to federal income tax, or (d) if JPP receive the affected Joint Participant(s) receives a refund from any taxing authority for any overpayment of tax attributable to any payment or property transfer made by Interconnection Customer to JPP pursuant to this LGIA Agreement, the Joint Participant(s) through Operating Agent shall promptly refund to Interconnection Customer the following:

(i) any payment made by Interconnection Customer under this Article 6 for taxes that is attributable to the amount determined to be non-taxable, together with interest thereon;

(ii) interest on any amounts paid by Interconnection Customer to JPP the affected Joint Participant(s) for such taxes which JPP such Joint Participant did not submit to the taxing authority, calculated in accordance with the methodology set forth in FERC’s regulations at 18 C.F.R § 35.19a(a)(2)(iii) from the date payment was made by Interconnection Customer to the date such Joint Participant through Operating Agent refunds such payment to Interconnection Customer; and

(iii) with respect to any such taxes paid by JPP Joint Participant(s), any refund or credit JPP the affected Joint Participant(s) receives or to which it may be entitled from any Governmental Authority, interest (or that portion thereof attributable to the payment described in clause (i), above) owed to JPP Joint Participant(s) for such overpayment of taxes (including any reduction in interest otherwise payable by JPP such Joint Participant to any Governmental Authority resulting from an offset or credit); provided, however, that JPP Joint Participant(s) will remit such amount promptly to Interconnection Customer through Operating Agent only after and to the extent that JPP such Joint Participant(s) has received a tax refund, credit or offset from any Governmental Authority for any applicable overpayment of income tax related to JPP Interconnection Facilities.

The intent of this provision is to leave the Parties, to the extent practicable, in the event that no taxes are due with respect to any payment for Interconnection Facilities and Network Upgrades hereunder, in the same position they would have been in had no such tax payments been made.

6.9 Taxes Other Than Income Taxes.

Upon the timely request by Interconnection Customer, and at Interconnection Customer’s sole expense, JPP Joint Participant(s) may appeal, protest, seek abatement of, or otherwise contest any tax (other than federal or state income tax) asserted or assessed against JPP such Joint Participant for which Interconnection Customer may be required to reimburse JPP under the terms of this LGIA Agreement. Interconnection Customer shall pay to JPP Joint Participant(s), through Operating Agent, on a periodic basis, as invoiced by Operating Agent, JPP’s or affected Joint Participant(s)’s documented reasonable costs of prosecuting such appeal, protest, abatement, or other contest. Interconnection Customer and JPP Joint Participant(s) shall cooperate in good faith with respect to any such contest. Unless the payment of such taxes is a prerequisite to an appeal or abatement or cannot be deferred, no amount shall be payable by Interconnection Customer to JPP for such taxes until they are assessed by a final, non-appealable order by any court or agency of competent jurisdiction. In the event that a tax payment is withheld
and ultimately due and payable after appeal, Interconnection Customer will be responsible for all
taxes, interest and penalties, other than penalties attributable to any delay caused by JPP Joint
Participant(s).

6.10  Tax Status.

Each Party shall cooperate with the other to maintain the other Party’s tax status. Nothing in this
LGIA is intended to adversely affect any Joint Participant’s tax exempt status with respect to
the issuance of bonds including, but not limited to, Local Furnishing Bonds. As used in this
Agreement, the term “local furnishing bonds” refers to tax-exempt bonds used to finance facilities
for the local furnishing of electric energy, as described in Section 142(f) of the Internal Revenue
Code of 1986, as amended, or corresponding provisions of predecessor statutes.

Article 7.  Modification of Facilities.

Article 7.  Modification
7.1  General.

Either Party may undertake modifications to its facilities. If a Party plans to undertake a
modification that reasonably may be expected to affect the other Party’s facilities, that Party shall
provide to the other Party sufficient information regarding such modification so that the other Party
may evaluate the potential impact of such modification prior to commencement of the work. If
Interconnection Customer plans to undertake a modification that reasonably may be expected to
affect the JPP, Interconnection Customer shall provide to Operating Agent sufficient information
regarding such modification so that Operating Agent may evaluate the potential impact of such
modification prior to commencement of the work. Such information shall be deemed to be
confidential hereunder and shall include information concerning the timing of such modifications
and whether such modifications are expected to interrupt the flow of electricity from the Large
Generating Facility. The Party desiring to perform such work shall provide the relevant drawings,
plans, and specifications to the other Party at least ninety (90) Calendar Days in advance of the
commencement of the work or such shorter period upon which the Parties may agree, which
agreement shall not unreasonably be withheld, conditioned or delayed.

In the case of Large a proposed Generating Facility modifications that do not
Modification to an
Existing Generating Facility that is not a Material Modification and does not require
Interconnection Customer to submit an Interconnection Request, Operating Agent shall provide,
within thirty (30) Calendar Days (or such other time as the Parties may agree), an estimate of any
additional modifications to the JPP, JPP Interconnection Facilities or Network
Upgrades necessitated by such Interconnection Customer modification and a good
faith estimate of the costs thereof.

7.2  Standards.

Any additions, modifications, or replacements made to a Party’s facilities shall be designed,
constructed and operated in accordance with this LGIA Agreement and Good Utility Practice.
7.3. **Modification Costs.**

Interconnection Customer shall not be directly assigned for the costs of any additions, modifications, or replacements that JPP Joint Participants makes to JPP Interconnection Facilities or the JPP to facilitate the interconnection of a third party to JPP Interconnection Facilities or the JPP. Interconnection Customer shall be responsible for the costs of any additions, modifications, or replacements to Interconnection Customer’s Interconnection Facilities that may be necessary to maintain or upgrade such Interconnection Customer’s Interconnection Facilities consistent with Applicable Laws and Regulations, Applicable Reliability Standards or Good Utility Practice.
Article 8. Testing and Inspection.

8.1 Pre-Commercial Operation Date—Testing and Modifications—Prior to In-Service Date.

Prior to the Commercial Operation In-Service Date, Operating Agent shall test JPP Interconnection Facilities and Network Upgrade(s) and Interconnection Customer shall test the Large-Generating Facility and Interconnection Customer’s Interconnection Facilities to ensure their safe and reliable operation. Similar testing may be required prior to the In-Service Date or Initial Synchronization Date. Each Party shall make any modifications to its facilities that are found to be necessary as a result of such testing. Interconnection Customer shall bear the cost of all such testing and modifications. Interconnection Customer shall generate test energy at the Large-Generating Facility only if it has arranged for the delivery of such test energy.

8.2 Post-Commercial Operation Date—Testing and Modifications—Post Commercial Operation Date.

Each Party shall at its own expense perform routine inspection and testing of its facilities and equipment in accordance with Good Utility Practice as may be necessary to ensure the continued interconnection of the Large-Generating Facility with the JPP in a safe and reliable manner. Each Party shall have the right, upon advance written notice, to require reasonable additional testing of the other Party’s facilities, at the requesting Party’s expense, as may be in accordance with Good Utility Practice.

8.3 Right to Observe Testing.

Each Party shall notify the other Party in advance of its performance of tests of its Interconnection Facilities. The other Party has the right, at its own expense, to observe such testing.

8.4 Right to Inspect. Each Party shall have the right, but shall have no obligation to:

Each Party shall have the right, but shall have no obligation to:

(i) observe the other Party’s tests and/or inspection of any of its System Protection Facilities and other protective equipment, including Power System Stabilizers; power system stabilizers;

(ii) review the settings of the other Party’s System Protection Facilities and other protective equipment; and

(iii) review the other Party’s maintenance records relative to the Interconnection Facilities, the System Protection Facilities and other protective equipment. A Party may exercise these rights from time to time as it deems necessary upon reasonable notice to the other Party. The exercise or non-exercise by a Party of any such rights shall not be construed as an endorsement or confirmation of any element or condition of the Interconnection Facilities or the System Protection Facilities or other protective equipment or the operation thereof, or as a warranty as to the fitness, safety, desirability, or reliability.
of same. Any information that a Party obtains through the exercise of any of its rights under this Article 8.4 shall be deemed to be Confidential Information and treated pursuant to Article 24 of this LGIA Agreement.

Article 9. Metering:

9.1 General.

Each Party shall comply with the Applicable Laws and Regulations and Applicable Reliability Council requirements. Unless otherwise agreed by the Parties, JPP Operating Agent shall install Metering Equipment at the Point of Interconnection prior to any operation of the Large Generating Facility and shall own, operate, test and maintain such Metering Equipment. Power flows to and from the Large Generating Facility shall be measured at or, at JPP Operating Agent’s option, compensated to, the Point of Interconnection. Operating Agent shall provide metering quantities, in analog and/or digital form, to Interconnection Customer upon request. Interconnection Customer shall bear all reasonable documented costs associated with the purchase, installation, operation, testing and maintenance of the Metering Equipment.

9.2 Check Meters.

Interconnection Customer, at its option and expense, may install and operate, on its premises and on its side of the Point of Interconnection, one or more check meters to check JPP’s meters installed by Operating Agent. Such check meters shall be for check purposes only and shall not be used for the measurement of power flows for purposes of this LGIA Agreement, except as provided in Article 9.4 below herein. The check meters shall be subject at all reasonable times to inspection and examination by JPP Operating Agent or its designee. The installation, operation and maintenance thereof shall be performed entirely by Interconnection Customer in accordance with Good Utility Practice.

9.3 Standards. JPP

Operating Agent shall install, calibrate, and test revenue quality Metering Equipment in accordance with applicable ANSI standards.

9.4 Testing of Metering Equipment. JPP

Operating Agent shall inspect and test all JPP-owned, Joint Participant-owned Metering Equipment upon installation and at least once every two (2) years thereafter. If requested to do so by Interconnection Customer, JPP Operating Agent shall, at Interconnection Customer’s expense, inspect or test Metering Equipment more frequently than every two (2) years. JPP Operating Agent shall give reasonable notice of the time when any inspection or test shall take place, and Interconnection Customer may have representatives present at the test or inspection. If at any time Metering Equipment is found to be inaccurate or defective, it shall be adjusted, repaired or replaced at Interconnection Customer’s expense, in order to provide accurate metering, unless the inaccuracy or defect is due to JPP’s Operating Agent’s failure to maintain, then JPP Joint Participants shall pay. If Metering Equipment fails to register, or if the measurement made by Metering Equipment during a test varies by more than two percent (2%) from the measurement made by the standard meter used in the test, JPP Operating Agent shall
adjust the measurements by correcting all measurements for the period during which Metering Equipment was in error by using Interconnection Customer's check meters, if installed. If no such check meters are installed or if the period cannot be reasonably ascertained, the adjustment shall be for the period immediately preceding the test of the Metering Equipment equal to one-half the time from the date of the last previous test of the Metering Equipment.

9.5 Metering Data.

At Interconnection Customer's expense, the metered data shall be telemetered to one or more locations designated by JPP Operating Agent and one or more locations designated by Interconnection Customer. Such telemetered data shall be used, under normal operating conditions, as the official measurement of the amount of energy delivered from the Large Generating Facility to the Point of Interconnection.

Article 10 Communications.

10.1 Interconnection Customer Obligations.

Interconnection Customer shall maintain satisfactory operating communications with JPP’s Transmission System Operating Agent’s transmission system dispatcher or representative designated by JPP Operating Agent. Interconnection Customer shall provide standard voice line, dedicated voice line and facsimile communications at its Large Generating Facility control room or central dispatch facility through use of either the public telephone system, or a voice communications system that does not rely on the public telephone system. Interconnection Customer shall also provide the dedicated data circuit(s) necessary to provide Interconnection Customer data to JPP Operating Agent as set forth in Appendix D, Security Arrangements Details to this Agreement. The data circuit(s) shall extend from the Large Generating Facility to the location(s) specified by JPP Operating Agent. Any required maintenance of such communications equipment shall be performed by Interconnection Customer. Operational communications shall be activated and maintained under, but not be limited to, the following events: system paralleling or separation, scheduled and unscheduled shutdowns, equipment clearances, and hourly and daily load data.

10.2 Remote Terminal Unit.

Prior to the Initial Synchronization In-Service Date of the Large Generating Facility, a Remote Terminal Unit, or equivalent data collection and transfer equipment acceptable to the Parties, shall be installed by Interconnection Customer, or by JPP Operating Agent at Interconnection Customer’s expense, to gather accumulated and instantaneous data to be telemetered to the location(s) designated by JPP Operating Agent through use of a dedicated point-to-point data circuit(s) as indicated in Article 10.1 herein. The communication protocol for the data circuit(s) shall be specified by JPP Operating Agent. Instantaneous bi-directional analog real power and reactive power flow information must be telemetered directly to the location(s) specified by JPP Operating Agent.

Each Party will promptly advise the other Party if it detects or otherwise learns of any metering, telemetry or communications equipment errors or malfunctions that
require the attention and/or correction by the other Party. The Party owning such equipment shall correct such error or malfunction as soon as reasonably feasible.

10.3 **No Annexation.**

Any and all equipment placed on the premises of a Party shall be and remain the property of the Party providing such equipment regardless of the mode and manner of annexation or attachment to real property, unless otherwise mutually agreed by the Parties.

10.4 **Provision of Data from a Variable Energy Resource.**

The Interconnection Customer with a Variable Energy Resource Generating Facility shall provide meteorological and forced outage data as required by Operating Agent for power production forecasts. The Interconnection Customer with a Variable Energy Resource having wind as the energy source, at a minimum, will be required to provide to Operating Agent site-specific meteorological data including: temperature, wind speed, wind direction, and atmospheric pressure. The Interconnection Customer with a Variable Energy Resource having solar as the energy source, at a minimum, will be required to provide to Operating Agent site-specific meteorological data including: temperature, atmospheric pressure, and irradiance. The exact specifications of the meteorological and forced outage data to be provided by the Interconnection Customer to Operating Agent, including the frequency and timing of data submittals, shall be made taking into account the size and configuration of the Variable Energy Resource, its characteristics, location, and its importance in maintaining generation resource adequacy and transmission system reliability in its area. All requirements for meteorological and forced outage data must be commensurate with the power production forecasting employed by the Operating Agent. Such requirements for meteorological and forced outage data are set forth in Appendix C to this Agreement, as they may change from time to time.

**Article 11. Operations.**

11.1 **General.**

Each Party shall comply with the Applicable Reliability Council requirements. Each Party shall provide to the other Party all information that may reasonably be required by the other Party to comply with Applicable Laws and Regulations and Applicable Reliability Standards.

11.2 **Balancing Authority Area Notification.**

At least three months before Initial Synchronization, one hundred twenty (120) Calendar Days before In-Service Date, Interconnection Customer shall notify JPP Operating Agent in writing of the Balancing Authority Area in which the Large Generating Facility will be located. All necessary arrangements, including but not limited to those set forth in Article 9 and Article 10 of this LGIA Agreement, and Balancing Authority Area generator interchange agreements, if applicable, and the appropriate measures under such agreements, shall be executed and implemented prior to the placement of the Large Generating Facility in the Balancing Authority Area.
11.3 Operating Agent Obligations. JPP

Operating Agent shall cause the JPP Interconnection Facilities to be operated, maintained and controlled in a safe and reliable manner and in accordance with this LGIA. JPP Agreement. Operating Agent may provide operating instructions to Interconnection Customer consistent with this LGIA and JPP’s Agreement and Operating Agent’s operating protocols and procedures as they may change from time to time. JPP Operating Agent will consider changes to its operating protocols and procedures proposed by Interconnection Customer.

11.4 Interconnection Customer Obligations.

Interconnection Customer shall at its own expense operate, maintain and control the Large Generating Facility and Interconnection Customer’s Interconnection Facilities in a safe and reliable manner and in accordance with this LGIA Agreement. Interconnection Customer shall operate the Large Generating Facility and Interconnection Customer’s Interconnection Facilities in accordance with all applicable requirements of the Balancing Authority Area of which it is part, as such requirements are set forth in Appendix C, Interconnection Details, of this LGIA to this Agreement. Appendix C, Interconnection Details, will be modified to reflect changes to the requirements as they may change from time to time. Either Party may request that the other Party provide copies of the requirements set forth in Appendix C, to this Agreement. If the output of the Generating Facility at the Point of Interconnection exceeds the Maximum Capacity, as specified in Appendix C to this Agreement, Operating Agent, at its sole discretion, shall have the right to disconnect the Generating Facility until Interconnection Customer has demonstrated to Operating Agent’s satisfaction that sufficient controls are in place to limit the output of the Generating Facility at the Point of Interconnection to the Maximum Capacity. Interconnection customer shall be fully responsible for any Adverse System Impact that is attributable to the Generating Facility exceeding the Maximum Capacity at the Point of Interconnection.

11.5 Start-Up and Synchronization.

Consistent with the Parties’ mutually Operating Agent’s acceptable procedures, Interconnection Customer is responsible for the proper synchronization of the Large Generating Facility to the JPP.

11.6 Reactive Power and Primary Frequency Response.

11.6.1 Power Factor Design Criteria.

11.6.1.1 Power Factor Design Criteria Synchronous Generation. Interconnection Customer shall design the Large Generating Facility to maintain a composite power delivery at continuous rated power output at the Point of Interconnection at a power factor within the range of 0.95 leading to 0.95 lagging, unless JPP Operating Agent has established different requirements that apply to all interconnected synchronous generators in the Balancing Authority.
Area on a comparable basis. The requirements of this paragraph shall not apply to wind generators.

11.6.2. Non-Synchronous Generation. Interconnection Customer shall design the Generating Facility to maintain a composite power delivery at continuous rated power output at the Point of Interconnection at a power factor within the range of 0.95 leading to 0.95 lagging, unless Operating Agent has established a different power factor range that applies to all non-synchronous generators in the Balancing Authority Area on a comparable basis. This power factor range standard shall be dynamic and can be met using, for example, power electronics designed to supply this level of reactive capability (taking into account any limitations due to voltage level, real power output, etc.) or fixed and switched capacitors, or a combination of the two.

11.6.2 Voltage Schedules.

Once Interconnection Customer has synchronized the Large Generating Facility with the JPP, JPP Operating Agent shall require Interconnection Customer to operate the Large Generating Facility to produce or absorb reactive power within the design limitations of the Large Generating Facility set forth in Article 11.6.1 (Power Factor Design Criteria). JPP's Operating Agent's voltage schedules shall treat all sources of reactive power in the Balancing Authority Area in an equitable and not unduly discriminatory manner. JPP Operating Agent shall exercise Reasonable Efforts to provide Interconnection Customer with such schedules at least one (1) day in advance, and may make changes to such schedules as necessary to maintain the reliability of the JPP. Interconnection Customer shall operate the Large Generating Facility to maintain the specified output voltage or power factor at the Point of Interconnection within the design limitations of the Large Generating Facility set forth in Article 11.6.1 (Power Factor Design Criteria). If Interconnection Customer is unable to maintain the specified voltage or power factor, it shall promptly notify the Operating Agent's system operator or its designated representative.

The Interconnection Customer shall comply with all voltage or reactive power output schedules and associated tolerance bands provided by the JPP. The Interconnection Customer shall further comply with Reliability Standards VAR-002-1, VAR-002-1.1a, VAR-002-1.1b, or any successor standards issued by NERC or WECC, as well as any new standards relating to reactive power or voltage control that may be issued by NERC or WECC. The Interconnection Customer shall be solely responsible for all compliance information, compliance monitoring and data retention required by the aforementioned standards. Any failure by the Interconnection Customer to comply with the schedules and tolerance bands set forth by the JPP and/or the aforementioned standards set forth by NERC or WECC shall be deemed a default in accordance with Article 22. Any costs or penalties imposed by NERC or WECC upon the JPP resulting from the Interconnection
Customer’s non-compliance with the schedules, tolerance bands, or NERC or WECC standards shall be directly passed through to the Interconnection Customer and the Interconnection Customer’s obligations for payment of said costs or penalties shall survive the expiration or termination of this LGIA.

11.6.2.1 Governors and Voltage Regulators. Whenever the Large Generating Facility is operated in parallel with the JPP and the speed governors (if installed on the generating unit pursuant to Good Utility Practice) and voltage regulators are capable of operation, Interconnection Customer shall operate the Large Generating Facility with its speed governors and voltage regulators in automatic operation. If the Large Generating Facility's speed governors and voltage regulators are not capable of such automatic operation, Interconnection Customer shall immediately notify the Operating Agent's system operator, or its designated representative, and ensure that such Large Generating Facility's reactive power production or absorption (measured in MVARs) are within the design capability of the Large Generating Facility's generating unit(s) and steady state stability limits. Interconnection Customer shall not cause its Large Generating Facility to disconnect automatically or instantaneously from the JPP or trip any generating unit comprising the Large Generating Facility for an under or over frequency condition unless the abnormal frequency condition persists for a time period beyond the limits set forth in ANSI/IEEE Standard C37.106, or such other standard as applied to other generators interconnected in the Balancing Authority Area on a comparable basis.

11.6.3 Payment for Reactive Power. JPP

Operating Agent is required to pay Interconnection Customer for reactive power that Interconnection Customer provides or absorbs from the Large Generating Facility only in those instances when JPP Operating Agent requests Interconnection Customer to operate its Large Generating Facility outside the agreed-upon range specified in Article 11.6.1 of this Agreement, provided that Operating Agent pays its own or affiliated generators for reactive power service within the specified range, it must also pay Interconnection Customer. Payments shall be pursuant to Article 20 herein or such other agreement to which the Parties have otherwise agreed.

11.6.4 Primary Frequency Response.

Interconnection Customer shall ensure the primary frequency response capability of its Generating Facility by installing, maintaining, and operating a functioning governor or equivalent controls. The term “functioning governor or equivalent controls” as used herein shall mean the required hardware and/or software that provides frequency responsive real power control with the ability to sense changes in system frequency and autonomously adjust the Generating Facility’s real power output in accordance with the droop and deadband parameters and in the direction needed to correct frequency deviations. Interconnection Customer is required to...
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install a governor or equivalent controls with the capability of operating: (1) with a
maximum five percent (5%) droop and ±0.036 Hz deadband; or (2) in accordance
with the relevant droop, deadband, and timely and sustained response settings
from an approved NERC Reliability Standard providing for equivalent or more
stringent parameters. The droop characteristic shall be: (1) based on the
nameplate capacity of the Generating Facility, and shall be linear in the range of
frequencies between 59 to 61 Hz that are outside of the deadband parameter; (2)
based on an approved NERC Reliability Standard providing for an equivalent or
more stringent parameter. The deadband parameter shall be: the range of
frequencies above and below nominal (60 Hz) in which the governor or equivalent
controls is not expected to adjust the Generating Facility’s real power output in
response to frequency deviations. The deadband shall be implemented: (1) without
a step to the droop curve, that is, once the frequency deviation exceeds the
deadband parameter, the expected Generating Facility’s real power output in
response to frequency deviations shall start from zero and then increase (for
under-frequency deviations) or decrease (for over-frequency deviations) linearly in
proportion to the magnitude of the frequency deviation; or (2) in accordance with
an approved NERC Reliability Standard providing for an equivalent or more
stringent parameter. Interconnection Customer shall notify Operating Agent that
the primary frequency response capability of the Generating Facility has been
tested and confirmed during commissioning. Once Interconnection Customer has
synchronized the Generating Facility with the JPP, Interconnection Customer shall
operate the Generating Facility consistent with the provisions specified in Sections
11.6.4.1 and 11.6.4.2 of this Agreement. The primary frequency response
requirements contained herein shall apply to both synchronous and nonsynchronous Generating Facilities.

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Governor or Equivalent Controls. Whenever the Generating
Facility is operated in parallel with the JPP, Interconnection Customer shall: (1) in
coordination with Operating Agent and/or the relevant balancing authority, set the
deadband parameter to: (1) a maximum of ±0.036 Hz and set the droop parameter
to a maximum of five percent (5%); or (2) implement the relevant droop and
deadband settings from an approved NERC Reliability Standard that provides for
equivalent or more stringent parameters. Interconnection Customer shall be
required to provide the status and settings of the governor or equivalent controls
to Operating Agent and/or the relevant Balancing Authority upon request. If
Interconnection Customer needs to operate the Generating Facility with its
governor or equivalent controls not in service, Interconnection Customer shall
immediately notify Operating Agent and the relevant Balancing Authority, and
provide both with the following information: (1) the operating status of the governor
or equivalent controls (i.e., whether it is currently out of service or when it will be
taken out of service); (2) the reasons for removing the governor or equivalent
controls from service; and (3) a reasonable estimate of when the governor or
equivalent controls will be returned to service. Interconnection Customer shall
make Reasonable Efforts to return its governor or equivalent controls into service
as soon as practicable. Interconnection Customer shall make Reasonable Efforts
to keep outages of the Generating Facility’s governor or equivalent controls to a
minimum whenever the Generating Facility is operated in parallel with the JPP.
Timely and Sustained Response. Interconnection Customer shall
ensure that the Generating Facility’s real power response to sustained frequency
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Effective: November 7, 2023


deviations outside of the deadband setting is automatically provided and shall begin immediately after frequency deviates outside of the deadband, and to the extent the Generating Facility has operating capability in the direction needed to correct the frequency deviation. Interconnection Customer shall not block or otherwise inhibit the ability of the governor or equivalent controls to respond and shall ensure that the response is not inhibited, except under certain operational constraints including, but not limited to, ambient temperature limitations, physical energy limitations, outages of mechanical equipment, or regulatory requirements. The Generating Facility shall sustain the real power response at least until system frequency returns to a value within the deadband setting of the governor or equivalent controls. A FERC-approved Reliability Standard with equivalent or more stringent requirements shall supersede the above requirements.

11.6.4.3, Exemptions. Generating Facilities that are regulated by the United States Nuclear Regulatory Commission shall be exempt from Articles 11.6.4, 11.6.4.1, and 11.6.4.2 of this Agreement. Generating Facilities that are behind the meter generation that is sized-to-load (i.e., the thermal load and the generation are near-balanced in real-time operation and the generation is primarily controlled to maintain the unique thermal, chemical, or mechanical output necessary for the operating requirements of its host facility) shall be required to install primary frequency response capability in accordance with the droop and deadband capability requirements specified in Article 11.6.4 herein, but shall be otherwise exempt from the operating requirements in Articles 11.6.4, 11.6.4.1, 11.6.4.2, and 11.6.4.4 herein.

11.6.4.4, Electric Storage Resources. Interconnection Customer interconnecting an Electric Storage Resource shall establish an operating range in Appendix C to this Agreement that specifies a minimum state of charge and a maximum state of charge between which the electric storage resource will be required to provide primary frequency response consistent with the conditions set forth in Articles 11.6.4, 11.6.4.1, 11.6.4.2 and 11.6.4.3 herein. Appendix C shall specify whether the operating range is static or dynamic, and shall consider (1) the expected magnitude of frequency deviations in the interconnection; (2) the expected duration that system frequency will remain outside of the deadband parameter in the interconnection; (3) the expected incidence of frequency deviations outside of the deadband parameter in the interconnection; (4) the physical capabilities of the electric storage resource; (5) operational limitations of the electric storage resource due to manufacturer specifications; and (6) any other relevant factors agreed to by Operating Agent and Interconnection Customer, and in consultation with the relevant transmission owner or Balancing Authority as appropriate. If the operating range is dynamic, then Appendix C to this Agreement must establish how frequently the operating range will be reevaluated and the factors that may be considered during its reevaluation.

Interconnection Customer's Electric Storage Resource is required to provide timely and sustained primary frequency response consistent with Article 11.6.4.2 herein when it is online and dispatched to inject electricity to the JPP and/or receive electricity from the JPP. This excludes circumstances when the electric storage resource is not dispatched to inject electricity from the JPP. If Interconnection Customer's Electric Storage Resource is charging at the time of a frequency deviation outside of its deadband parameter, it is to increase (for over-frequency
deviations) or decrease (for under-frequency deviations) the rate at which it is charging in accordance with its droop parameter. Interconnection Customer's Electric Storage Resource is not required to change from charging to discharging, or vice versa, unless the response necessitated by the droop and deadband settings requires it to do so and it is technically capable of making such a transition.
11.7. Outages and Interruptions.

11.7.1. Outages.

11.7.1.1. Outage Authority and Coordination. Each Party may in accordance with Good Utility Practice in coordination with the other Party remove from service any of its respective Interconnection Facilities or Network Upgrades, that may impact the other Party’s facilities as necessary to perform maintenance or testing or to install or replace equipment. Absent an Emergency Condition, the Party scheduling a removal of such facility(ies) from service will use Reasonable Efforts to schedule such removal on a date and time mutually acceptable to the Parties. In all circumstances, any Party planning to remove such facility(ies) from service shall use Reasonable Efforts to minimize the effect on the other Party of such removal. Notwithstanding the forgoing, the JPP Operating Agent, in all circumstances, retains ultimate authority to deny any non-Emergency Condition removal from service.

11.7.1.2. Outage Schedules. Operating Agent shall post scheduled outages of its transmission facilities on the JPP OASIS. Interconnection Customer shall submit its planned maintenance schedules for the Large Generating Facility to Transmission Provider Operating Agent for a minimum of a rolling twenty-four month period. Interconnection Customer shall update its planned maintenance schedules as necessary. Transmission Provider Operating Agent may request Interconnection Customer to reschedule its maintenance as necessary to maintain the reliability of the Transmission System; provided, however, adequacy of generation supply shall not be a criterion in determining Transmission System reliability. Transmission Provider JPP Operating Agent shall compensate Interconnection Customer for any additional direct costs that Interconnection Customer incurs as a result of having to reschedule maintenance, including any additional overtime, breaking of maintenance contracts or other costs above and beyond the cost Interconnection Customer would have incurred absent Transmission Provider's Operating Agent's request to reschedule maintenance. Interconnection Customer will not be eligible to receive compensation, if during the twelve (12) months prior to the date of the scheduled maintenance, Interconnection Customer had modified its schedule of maintenance activities.

11.7.1.3. Outage Restoration. If an outage on a Party’s Interconnection Facilities or Network Upgrades adversely affects the other Party’s operations or facilities, the Party that owns or controls the facility that is out of service shall use Reasonable Efforts to promptly restore such facility(ies) to a normal operating condition consistent with the nature of the outage. The Party that owns or controls the facility that is out of service shall provide the other Party, whose operations or facilities are adversely affected, to the extent such information is known, information on the nature of the Emergency Condition, an estimated time of restoration, and any corrective actions required. Initial verbal
notice shall be followed up as soon as practicable with written notice explaining the nature of the outage.

11.7.2. **Interruption of Service.** If required by Good Utility Practice to do so, Operating Agent may require Interconnection Customer to interrupt or reduce deliveries of electricity if such delivery of electricity could adversely affect Operating Agent’s ability to perform such activities as are necessary to safely and reliably operate and maintain the JPP. The following provisions shall apply to any interruption or reduction permitted under this Article 11.7.2:

11.7.2.1. The interruption or reduction shall continue only for so long as reasonably necessary under Good Utility Practice;

11.7.2.2. Any such interruption or reduction shall be made on an equitable, non-discriminatory basis with respect to all generating facilities directly connected to the JPP; if doing so will resolve the reasons for any given problem.

11.7.2.3. When the interruption or reduction must be made under circumstances which do not allow for advance notice, Operating Agent shall notify Interconnection Customer by telephone as soon as practicable of the reasons for the curtailment, interruption, or reduction, and, if known, its expected duration. Telephone notification shall be followed by written notification as soon as practicable;

11.7.2.4. Except during the existence of an Emergency Condition, when the interruption or reduction can be scheduled without advance notice, Operating Agent shall notify Interconnection Customer in advance regarding the timing of such scheduling and further notify Interconnection Customer of the expected duration. Operating Agent shall use Reasonable Efforts to coordinate with Interconnection Customer using Good Utility Practice to schedule the interruption or reduction during periods of least impact to Interconnection Customer and the JPP;

11.7.2.5. The Parties shall cooperate and coordinate with each other to the extent necessary in order to restore the Large Generating Facility, Interconnection Facilities, and the JPP to their normal operating state, consistent with system conditions and Good Utility Practice.

11.7.3. **Under-Frequency and Over-Frequency Conditions.**

The Transmission System JPP is designed to automatically activate a load-shed program as required by the Applicable Reliability Council Standards in the event of an under-frequency system disturbance. Interconnection Customer shall implement under-frequency and over-frequency relay set points for the Large Generating Facility as required by the Applicable Reliability Council Standards to ensure “ride through” capability of the Transmission System. Large JPP. Generating Facility response to frequency...
deviations of pre-determined magnitudes, both under-frequency and over-frequency deviations, shall be studied and coordinated with the Operating Agent in accordance with Good Utility Practice. The term “ride through” as used herein shall mean the ability of a Generating Facility to stay connected to and synchronized with the Transmission System JPP during system disturbances within a range of under-frequency and over-frequency conditions, in accordance with Good Utility Practice.

11.7.4. **System Protection and Other Control Requirements.**

11.7.4.1. **System Protection Facilities.** Interconnection Customer shall, at its expense, install, operate and maintain System Protection Facilities as a part of the Large Generating Facility or Interconnection Customer’s Interconnection Facilities. JPP Operating Agent shall install at Interconnection Customer’s expense any System Protection Facilities that may be required on JPP Interconnection Facilities as a result of the interconnection of the Large Generating Facility and Interconnection Customer’s Interconnection Facilities.

11.7.4.2. Each Party’s System Protection Facilities shall be designed and coordinated with other systems in accordance with Good Utility Practice.

11.7.4.3. Each Party shall be responsible for protection of its facilities consistent with Good Utility Practice.

11.7.4.4. Each Party’s protective relay design shall incorporate the necessary test switches to perform the tests required in Article 8 of this Agreement. The required test switches will be placed such that they allow operation of lockout relays while preventing breaker failure schemes from operating and causing unnecessary breaker operations and/or the tripping of Interconnection Customer’s units.

11.7.4.5. Each Party will test, operate, and maintain its respective System Protection Facilities in accordance with Good Utility Practice.

11.7.4.6. Prior to the In-Service Date, and again prior to the Commercial Operation Initial Synchronization Date, each Party or its agent shall perform a complete calibration test and functional trip test of its respective System Protection Facilities. At intervals suggested by Good Utility Practice and following any apparent malfunction of the System Protection Facilities, each Party shall perform both calibration and functional trip tests of its respective System Protection Facilities. These tests do not require the tripping of...
any in-service generation unit. These tests do, however, require that all protective relays and lockout contacts be activated.

11.7.5 Requirements for Protection.

In compliance with Good Utility Practice, Interconnection Customer shall provide, install, own, and maintain relays, circuit breakers and all other devices necessary to remove any fault contribution of the Large-Generating Facility to any short circuit occurring on the JPP not otherwise isolated by the JPP’s equipment, such that the removal of the fault contribution shall be coordinated with the protective requirements of the JPP. Such protective equipment shall include, without limitation, a disconnecting device or switch with load-interrupting capability located between the Large-Generating Facility and the JPP at a site selected upon mutual agreement (not to be unreasonably withheld, conditioned or delayed) of the Parties. Interconnection Customer shall be responsible for protection of the Large-Generating Facility and Interconnection Customer’s other equipment from such conditions as negative sequence currents, over- or under-frequency, sudden load rejection, over- or under-voltage, and generator loss-of-field. Interconnection Customer shall be solely responsible to disconnect the Large-Generating Facility and Interconnection Customer’s other equipment if conditions on the JPP could adversely affect the Large-Generating Facility.

11.7.6 Power Quality.

Neither Party’s facilities shall cause excessive voltage flicker nor introduce excessive distortion to the sinusoidal voltage or current waves as defined by ANSI Standard C84.1-1989, in accordance with IEEE Standard 519, or any applicable superseding electric industry standard. In the event of a conflict between ANSI Standard C84.1-1989, or any applicable superseding electric industry standard, ANSI Standard C84.1-1989, or the applicable superseding electric industry standard, shall control the most current electrical standards and SRP’s Business Practice posted on OASIS.

11.8 Switching and Tagging Rules—Each Party

Operating Agent shall provide the other Party—Interconnection Customer a copy of its switching and tagging rules that are applicable to the other Party’s activities. Such switching and tagging rules shall be developed on a non-discriminatory basis. The Parties shall comply with applicable switching and tagging rules, as amended from time to time, in obtaining clearances for work or for switching operations on equipment.

11.9 Use of Interconnection Facilities by Third Parties.

11.9.1 Purpose of Interconnection Facilities.

Except as may be required by Applicable Laws and Regulations, or as provided for in applicable JPP participation, ownership or operating agreements among the Joint Participants, or as otherwise agreed to among the Parties herein or hereafter, the Interconnection Facilities shall be constructed for the sole purpose of interconnecting the Large-Generating Facility to the JPP and shall be used for no other purpose.
11.9.2 Third Party Users. The

If required by Applicable Laws and Regulations, or if the Parties mutually agree that if JPP allows, such agreement not to be unreasonably withheld, to allow one or more third parties to use any part of the JPP Interconnection Facilities or any part thereof, Interconnection Customer will be entitled to compensation for the capital expenses it incurred in connection with those JPP Interconnection Facilities (“Capital Expenses”), based upon the pro rata use of such Interconnection Customer-funded JPP Interconnection Facilities by JPP Joint Participants, all third party users, and Interconnection Customer in accordance with the methodology set forth in Section 11.9.3. Any such compensation will be based upon use by third parties of any portion of JPP Interconnection Facilities except those portions that are exclusively used by Interconnection Customer (JPP Interconnection Facilities minus such facilities exclusively used by Interconnection Customer shall hereinafter be referred to as “Interconnection Customer-funded Common Facilities” or “ICFCF” and are shown in Diagram A in Appendix A.)

Applicable Laws and Regulations or upon some other mutually-agreed upon methodology.

In addition, cost responsibility for capital improvements and ongoing costs, including operation and maintenance costs associated with the Interconnection Facilities, which includes ICFCF and those portions of the JPP Interconnection Facilities used exclusively by Interconnection Customer, will be allocated between Interconnection Customer and any third party users based upon the pro rata use of the Interconnection Facilities by JPP Joint Participants, all third party users, and Interconnection Customer, in accordance with Section 12.5. The present Interconnection Customer, and each of any future interconnection customers, shall be solely responsible for costs associated with those JPP Interconnection Facilities set forth in Diagram A in Appendix A that are used exclusively by each such interconnection customer, Applicable Laws and Regulations or upon some other mutually agreed upon methodology, and in accordance with Appendix J to this Agreement.

11.9.3 Methodology. For purposes of this Interconnection Agreement, if one or more third parties use JPP Interconnection Facilities, or any part thereof, Interconnection Customer will be entitled to compensation for the Capital Expenses it incurred in connection with the ICFCF, as defined in Section 11.9.2 and shown in Diagram A in Appendix A, based upon the following methodology. Capital Expenses eligible for reimbursement under this Section 11.9.3, except for land, will be calculated as original installed costs, including any loading rates applied thereto. Capital Expenses for land will be based upon an appraisal agreed upon by the Parties. Future Capital Expenses related to JPP Interconnection Facilities similarly shall be calculated and added to the existing Capital Expenses as a basis for pro rata charges and reimbursements in the future.
Interconnection Customer shall be reimbursed for Capital Expenses based on the terminations to the JPP which use any part of the ICFCF. The second interconnection will yield a 1/2 reimbursement of the initial Capital Expenses for the ICFCF to the Interconnection Customer. A third interconnection will yield a 1/3 obligation of the initial Capital Expenses from such third Interconnection Customer, which will result in an additional 1/6 reimbursement to the Interconnection Customer of the initial Capital Expenses. Additional interconnections similarly will yield pro rata and proportional fractional obligations for the initial Capital Expenses and corresponding reimbursement to prior existing Interconnection Customers. This interconnection reimbursement methodology is set forth in Exhibit 3 to the Interconnection Agreement. Exhibit 3 may be revised by the Interconnection Customer and JPP by mutual agreement. Such revisions shall not constitute an amendment to the Interconnection Agreement.

These reimbursements related to future third party use of the ICFCF shall be made by the JPP to the existing Interconnection Customer(s) by a single payment within 60 business days of the interconnection date of each new third party interconnection.

The obligation of future interconnection customers for proportional payments of Capital Expenses for ICFCF shall be included as binding obligations in any such future interconnection agreements between JPP and such Interconnection Customer(s). Failure to make such payments shall constitute a default under such interconnection agreements and as such will be resolved pursuant to the applicable default provisions of such interconnection agreements.

11.10 Disturbance Analysis Data Exchange.

The Parties will cooperate with one another in the analysis of disturbances to either the Large Generating Facility or JPP by gathering and providing access to any technical information relating to any disturbance, including information from oscillography, protective relay targets, breaker operations and sequence of events records, and any disturbance information required by Good Utility Practice.

12.1 JPP Joint Participants Obligations. JPP

The Operating Agent shall maintain the JPP and JPP Interconnection Facilities in a safe and reliable manner and in accordance with this LGIA Agreement.

12.2 Interconnection Customer Obligations.

Interconnection Customer shall maintain the Large Generating Facility and Interconnection Customer's Interconnection Facilities in a safe and reliable manner and in accordance with this LGIA Agreement.
12.3 Coordination.

The Parties shall confer regularly to coordinate the planning, scheduling and performance of preventive and corrective maintenance on the Large-Generating Facility and the Interconnection Facilities. The Operating Agent shall be the point of contact for the Joint Participants.

12.4 Secondary Systems.

Each Party shall cooperate with the other in the inspection, maintenance, and testing of control or power circuits that operate below 600 volts, AC or DC, including, but not limited to, any hardware, control or protective devices, cables, conductors, electric raceways, secondary equipment panels, transducers, batteries, chargers, and voltage and current transformers that directly affect the operation of a Party’s facilities and equipment which may reasonably be expected to impact the other Party. Each Party shall provide advance notice to the other Party before undertaking any work on such circuits, especially on electrical circuits involving circuit breaker trip and close contacts, current transformers, or potential transformers.

12.5 Operating and Maintenance Expenses.

Subject to the provisions herein addressing the use of facilities by others, and except for operations and maintenance expenses associated with modifications made for providing interconnection or transmission service to a third party and such third party pays for such expenses, Interconnection Customer shall be responsible for all Operating Work, described in Exhibit 4, a pro rata share of all reasonable expenses including overhead costs, associated with Operating Work performed by the Operating Agent or any Joint Participant on behalf of the JPP, for (1) owning, operating, maintaining, repairing, and replacing Interconnection Customer’s Interconnection Facilities; and (2) operation, maintenance, repair and replacement of JPP Interconnection Facilities and Common Facilities determined by the CRR as set forth in Appendix I to this Agreement. Interconnection Customer shall also be responsible for all costs associated with owning, operating, maintaining, repairing, and replacing Interconnection Customer’s Interconnection Facilities. If, in the future, a third party, JPP, or any Joint Participant Party, is to interconnect to the JPP, the cost responsibilities for operations, maintenance and replacement are to be determined by the number of terminations. Excluded from this methodology are the protection equipment exclusively used by any such new interconnector(s). These costs will be directly assigned to the owner of the interconnection which is being protected.

12.5.1 Payment for Use of Common Facilities.

If the Interconnection Customer is interconnecting into a pre-existing switchyard/substation, the Interconnection Customer shall make the Common Facilities Use Fee payment to the Operating Agent in accordance with the formula set forth in Appendix H-2 to this Agreement prior to the In-service Date. A similar Common Facilities Use Fee will be assessed to each future interconnection to the switchyard/substation consistent with this Article 12.5 and Interconnection Customer will be reimbursed a pro rata share of those fees utilizing the same methodology as set forth in Appendix J to this Agreement.
12.5.2. Interconnection Customer Cost Responsibilities.

Subject to the provisions herein addressing the use of facilities by others, and except for operations and maintenance expenses associated with modifications made for providing interconnection to a third party and such third party pays for such expenses, Interconnection Customer shall be responsible for:

(i) All expenses associated with owning, operating, maintaining, repairing, and replacing Interconnection Customer’s Interconnection Facilities;

(ii) The Interconnection Customer Cost Responsibility (CRR) share of all expenses including overheads, associated with insurance costs, operation, maintenance, repair, replacement, enlargement or betterment of any unit of property or equipment pertaining to or associated with the JPP’s Common Facilities, JPP Interconnection Facilities, all other interconnection facilities within the substation/switchyard. Such Interconnection Customer’s CRR shall be calculated as set forth in Appendix H-2 to this Agreement. Notwithstanding anything to the contrary in the preceding sentence, costs for Capital Improvements to the JPP Interconnection Facilities, which are requested by the Interconnection Customer, shall be the sole responsibility of the Interconnection Customer.

(iii) The CRR shall be recomputed by Operating Agent in accordance with Appendix I to this Agreement to reflect the installation of any additional Connection(s) at the substation/switchyard and shall be effective upon the date of firm operation thereof. Upon completion of such recalculated, Operating Agent shall revise Appendix I to this Agreement to reflect the then current CRRs.

(iv) In accordance with Article 14 herein and the specific payment provisions of each appendix to this Agreement, on or before the In-Service Date, the Interconnection Customer shall make, cause to be made, or provide evidence of payment of the Mitigation Facility Fee in accordance with the formulas set forth in Appendix K to this Agreement to Operating Agent.


13.1. Interconnection Customer’s Interconnection Facilities.

Interconnection Customer shall design, procure, construct, install, own and/or control Interconnection Customer’s Interconnection Facilities described in Appendix A, Interconnection Facilities, Network Upgrades and Distribution Upgrades to this Agreement, at its sole expense.
13.2 JPP Interconnection Facilities.

Joint Participants, through Operating Agent, shall design, procure, construct, install, own and/or control the JPP Interconnection Facilities described in Appendix A, Interconnection Facilities, Network Upgrades and Distribution Upgrades to this Agreement, at the sole expense of the Interconnection Customer.

13.3 Network Upgrade(s) and Distribution Upgrade(s).

13.3.1 Network Upgrades and Distribution Upgrades. JPP Joint Participants, through Operating Agent, shall design, procure, construct, install, and own the Network Upgrade(s) and Distribution Upgrade(s) described in Appendix A, Interconnection Facilities, Network Upgrades and Distribution Upgrades to this Agreement. The Interconnection Customer shall be responsible for all costs related to Network Upgrade(s) and Distribution Upgrade(s). Unless JPP elects to fund the capital for the Network Upgrades, they shall be solely funded by Interconnection Customer Upgrade(s).

13.4 Shared Network Upgrade(s).

Interconnection Customer shall pay Operating Agent for Shared Network Upgrade(s) identified pursuant to Section 5.3 of the GIP and memorialized in Appendix A of this Agreement. Payments shall be made in accordance with Section 3.5 of the GIP.

Operating Agent subsequently shall disburse the payment for Shared Network Upgrade(s) to appropriate Interconnection Customer(s) from an earlier Cluster(s) with previously assigned costs associated with the Shared Network Upgrade(s) in accordance with Section 5.3 of the GIP. If the Shared Network Upgrade(s) is not in service, Interconnection Customer shall not be required to make a payment under Section 5.3 of the GIP until the Shared Network Upgrade(s) is in service. In the event that Interconnection Customer fails to meet its obligation to fund Shared Network Upgrade(s), Operating Agent shall not be responsible for Interconnection Customer’s funding obligation.

13.5 Transmission Credits.

13.5.1 Repayment of Amounts Advanced for Network Upgrades.

This section provides for the proportional repayment of amounts advanced for Network Upgrade(s) by any one or more Joint Participants of amounts advanced for Network Upgrade(s) by the Interconnection Customer required under Applicable Laws and Regulations to make such repayments. SRP is not required to make such repayments. Interconnection Customer shall be entitled to a cash repayment, from any one or more Joint Participants so obligated, equal to the pro rata amount paid to JPP Operating Agent and Affected System Operator, if any, based upon each such Joint Participant’s ownership percentage in the applicable component of the JPP, for the Network Upgrade(s), including any tax gross-up or other tax-related payments associated with Network Upgrade(s), and not refunded to Interconnection Customer pursuant to Article 6.16.8 or otherwise, to be paid to Interconnection Customer on a dollar-for-dollar basis for the non-usage sensitive portion of transmission charges, as
payments are made under each such Joint Participant’s Open Access Transmission Tariff and any Affected System’s Open Access Transmission Tariff for transmission services with respect to the Large-Generating Facility. For sake of clarity, the Interconnection Customer will receive refunds from TEP for its proportionate share of such Network Upgrades and will not receive a refund from SRP for its proportionate share of such Network Upgrade(s). Any repayment shall include interest calculated in accordance with the methodology set forth in FERC’s regulations at 18 C.F.R. § 35.19a(a)(2)(iii) from the date of any payment for Network Upgrades through the date on which the Interconnection Customer receives a repayment of such payment pursuant to this subparagraph. Interconnection Customer may assign such repayment rights to any person.

Notwithstanding the foregoing, Interconnection Customer, any Joint Participant, and any Affected System Operator may adopt any alternative payment schedule that is mutually agreeable so long as any such Joint Participant and any Affected System Operator take one of the following actions no later than five (5) years from the Commercial Operation Date: (1) return to Interconnection Customer any such pro rata amounts advanced for Network Upgrade(s) not previously repaid, or (2) declare in writing that the Joint Participant or Affected System Operator so obligated to do so will continue to provide such pro rata payments to Interconnection Customer on a dollar-for-dollar basis for the non-usage sensitive portion of transmission charges, or develop an alternative schedule that is mutually agreeable and provides for the return of all amounts advanced for Network Upgrade(s) not previously repaid; provided, however, full reimbursement shall not extend beyond twenty (20) years from the Commercial Operation Date.

If the Large-Generating Facility fails to achieve commercial operation but it or another Generating Facility is later constructed and makes use of the Network Upgrade(s), the Joint Participants and Affected System Operator(s) so obligated to do so shall at that time reimburse Interconnection Customer for the pro rata amounts advanced for the Network Upgrade(s). Before any such reimbursement can occur, the Interconnection Customer, or the entity that ultimately constructs the Generating Facility, if different, is responsible for identifying the entity to which reimbursement must be made.

13.5.2 Special Provisions for Affected Systems.

Unless JPP provides Joint Participants provide, under the LGIA Agreement, for the pro rata repayment of amounts advanced to an Affected System Operator for Network Upgrade(s) by any one or more Joint Participants so obligated to do so, Interconnection Customer and the Affected System Operator shall enter into an agreement that provides for such repayment. The agreement shall specify the terms governing payments to be made by Interconnection Customer to the Affected System Operator as well as the repayment by the Affected System Operator.

13.4.3 Notwithstanding any other provision of this LGIA Agreement, nothing herein shall be construed as relinquishing or foreclosing any rights, including but not limited to firm transmission rights, capacity rights, transmission congestion rights, or transmission credits, that Interconnection Customer, shall be entitled to, now or in the future under any
other agreement or tariff as a result of, or otherwise associated with, the transmission capacity, if any, created by the Network Upgrades, including the right to obtain cash reimbursements or transmission credits for transmission service that is not associated with the Large Generating Facility.

13.6.13.5 Provision of Security.

At least thirty (30) Calendar Days prior to the commencement of the procurement, installation, or construction of a discrete portion of a JPP Interconnection Facilities, Network Upgrades, or Distribution Upgrades, Interconnection Customer shall provide JPP, at Interconnection Customer's option, a guarantee, a surety bond, letter of credit or other form of security that is reasonably acceptable to JPP and is consistent with the Uniform Commercial Code of the jurisdiction identified in Article 19.2 Joint Participants. Such security for payment shall be in an amount sufficient to cover the costs for constructing, procuring and installing the applicable portion of JPP Interconnection Facilities, Network Upgrades, or Distribution Upgrades, and shall be reduced on a dollar-for-dollar basis for payments made to Transmission Provider Joint Participants for these purposes.

In addition:

13.6.1 13.5.1 The guarantee must be made by an entity that meets the creditworthiness requirements of JPP Operating Agent pursuant to the JPP governing agreements or as reasonably determined by the E&O Committee, and contain terms and conditions that guarantee payment of any amount that may be due from Interconnection Customer, up to an agreed-to maximum amount.

13.6.2 13.5.2 The letter of credit must be issued by a financial institution reasonably acceptable to JPP Operating Agent and must specify a reasonable expiration date.

13.6.3 13.5.3 The surety bond must be issued by an insurer reasonably acceptable to JPP Operating Agent and must specify a reasonable expiration date.

13.7.13.6 Interconnection Customer Compensation.

If JPP requests or directs the Joint Participants request or direct Interconnection Customer to provide a service pursuant to Articles 11.6.3 (Payment for Reactive Power), or 18.5.1 of this LGIA, Sections 11.6.3 or 15.4.1 of this Agreement, the Joint Participants shall compensate Interconnection Customer in accordance with Interconnection Customer’s applicable rate schedule then in effect unless the provision of such service(s) is subject to an RTO or ISO FERC-approved rate schedule. Interconnection Customer shall serve JPP or RTO or ISO with any filing of a proposed rate schedule at the time of such filing with FERC. To the extent that no rate schedule is in effect at the time the Interconnection Customer is required to provide or absorb any Reactive Power under this LGIA, JPP agrees
Participants agree to compensate Interconnection Customer in such amount as would have been due Interconnection Customer had the rate schedule been in effect at the time service commenced; provided, however, that such rate schedule must be filed at FERC or other appropriate Governmental Authority within sixty (60) Calendar Days of the commencement of service.

13.7.1. Interconnection Customer Compensation for Actions During Emergency Condition

The Joint Participants shall compensate Interconnection Customer for its provision of real and reactive power and other Emergency Condition services that Interconnection Customer provides to support the JPP or RTO or ISO during an Emergency Condition in accordance with Article 15.

13.8. Facility Connection Requirements

Article 14. Payment for Use of Common Facilities
All Interconnection Customers are required to follow the requirements of the Facility Connection Requirements Business Practice, posted on OASIS, based upon the type of generation.

13.9. Data Modeling Requirements for Inverter-Based Resources
On or before the In-service Date, the Interconnection Customer shall make the Common Facilities Use Fee payment to the Operating Agent for the accounts of the Joint Participants in accordance with the formula set forth in Exhibit 2. Operating Agent requires Interconnection Customer with Inverted-Based Resources to submit all modeling data listed in SRP’s Business Practice as posted on OASIS.

Article 15. Cost Responsibility Ratio
15.1. Purpose: The CRR shall be computed as set forth in Exhibit 5, Cost Responsibility ratio, for the purpose of: (i) allocating to the Interconnection Customer a portion of the costs set forth in Section 16 below and the costs of any Work Liability, and (ii) initially determining the Common Facilities Use Fee payment pursuant to Section 14 hereof.

15.2. Method: The CRR shall be recomputed by the Operating Agent in accordance with Exhibit 5, Cost Responsibility Ratio, attached hereto, to reflect the installation of any additional Function(s) in the JPP and shall be effective upon the date of firm operation thereof. Upon completion of such recomputation, Operating Agent shall revise Exhibit 5 and, as soon thereafter as practicable, submit the revised Exhibit 5 for approval pursuant to Section 35.10.

Article 16. Allocation of Costs
Operating Agent shall calculate the costs and expenses of operation, maintenance, Capital Improvements, insurance, and taxes, including but not limited to overhead expenses, applicable labor loading charges, administrative and general overhead expenses, all in accordance with standard accounting practice and the applicable provisions of the JPP.
governing agreements, and shall allocate and charge to each Interconnection Customer its proportionate share as set forth in Exhibit 5, of such costs and expenses as set forth below:

**16.1 Costs of Operating Work**

16.1.1 Operation: Interconnection Customer’s CRR share of all expenses charged for the operation of the JPP.

16.1.2 Maintenance:
   i) All expenses charged for maintenance of the Interconnection Facilities.
   ii) Interconnection Customer’s CRR share of all expenses charged for maintenance of the Common Facilities.

**16.2 Costs of Capital Improvements:** All costs charged for Capital Improvements to Interconnection Facilities.

**16.3 Common Facilities:** Interconnection Customer’s CRR share of all Capital Improvements to Common Facilities.

**16.4 Costs of Insurance**

16.4.1 All expenses of insurance for or allocable to the Interconnection Facilities.

16.4.2 Interconnection Customer’s CRR share of all expenses of insurance or allocable to the Common Facilities.

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**Article 14.**

**Invoice.**

**14.1 General.**

Each Party shall submit to the other Party, on a monthly basis, invoices of amounts due for the preceding month. Each invoice shall state the month to which the invoice applies and fully describe the services and equipment provided. The Parties may discharge mutual debts and payment obligations due and owing to each other on the same date through netting, in which case all amounts a Party owes to the other Party under this LGIA Agreement, including interest payments or credits, shall be netted so that only the net amount remaining due shall be paid by the owing Party.

**14.2 Final Invoice.**

Within six months after completion of the construction of JPP Interconnection Facilities and the Network Upgrades, JPP Operating Agent shall provide an invoice of the final cost of the construction of JPP Interconnection Facilities and the Network Upgrades and shall set forth such costs in sufficient detail to enable Interconnection Customer to compare the actual costs with the estimates and to ascertain deviations, if any, from the cost estimates. JPP Operating Agent shall refund to Interconnection Customer any amount by which the actual payment by Interconnection Customer for estimated costs exceeds the actual costs of construction within thirty (30) Calendar Days of the issuance of such final construction invoice.

**14.3 Payment.**

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

14.4 Disputes.

17.4 Disputes.—In the event of a billing dispute between JPP Operating Agent and Interconnection Customer, JPP Operating Agent shall continue to provide Interconnection Service under this LGIA Agreement as long as Interconnection Customer: (i) continues to make all payments not in dispute; and (ii) pays to JPP Operating Agent or into an independent escrow account the portion of the invoice in dispute, pending resolution of such dispute. If Interconnection Customer fails to meet these two requirements for continuation of service, then JPP Operating Agent may provide notice to Interconnection Customer of a Default pursuant to Article 22. Within thirty (30) Calendar Days after the resolution of the dispute, the Party that owes money to the other Party shall pay the amount due with interest, if applicable and if so, with such interest calculated in accord with the methodology set forth in FERC’s regulations at 18 C.F.R. § 35.19a(a)(2)(iii) or other applicable methodology.

Article 15. Article 18. Emergencies.

15.1 Obligations.

18.1 Definition. "Emergency Condition" shall mean a condition or situation: (i) that in the judgment of the Party making the claim is imminently likely to endanger life or property; or (ii) that, in the case of JPP, is imminently likely (as determined in a non-discriminatory manner) to cause a material adverse effect on the security of, or damage to the JPP, JPP Interconnection Facilities or the Transmission Systems of others to which the JPP is directly connected; or (iii) that, in the case of Interconnection Customer, is imminently likely (as determined in a non-discriminatory manner) to cause a material adverse effect on the security of, or damage to, the Large Generating Facility or Interconnection Customer's Interconnection Facilities' System restoration and black start shall be considered Emergency Conditions; provided, that Interconnection Customer is not obligated by this LGIA to possess black start capability.

18.2 Obligations. Each Party shall comply with the Emergency Condition procedures of the applicable ISO/RTO, NERC, the Independent System Operator (ISO)/Regional Transmission Organization (RTO), if any, NERC, Applicable Reliability Council, Applicable Laws and Regulations, Standards, and any additional emergency procedures agreed to by the Joint Operating Committee.

15.2 Notice.

18.3 Notice. Operating Agent shall notify Interconnection Customer promptly when it becomes aware of an Emergency Condition that affects JPP Interconnection Facilities or the Transmission System JPP that may reasonably be expected to affect Interconnection Customer’s operation of the Large Generating Facility or Interconnection Customer’s Interconnection Facilities.
Interconnection Customer shall notify Operating Agent promptly when it becomes aware of an Emergency Condition that affects the Large Generating Facility or Interconnection Customer’s Interconnection Facilities that may reasonably be expected to affect the JPP or JPP Interconnection Facilities. To the extent information is known, the notification shall describe the Emergency Condition, the extent of the damage or deficiency, the expected effect on the operation of Interconnection Customer’s or JPP’s facilities and operations, its anticipated duration and the corrective action taken and/or to be taken. The initial notice shall be followed as soon as practicable with written notice.

18.4 Immediate Action.

Unless, in Interconnection Customer’s reasonable judgment, immediate action is required, Interconnection Customer shall obtain the consent of Operating Agent, such consent to not be unreasonably withheld, prior to performing any manual switching operations at the Large Generating Facility or Interconnection Customer’s Interconnection Facilities in response to an Emergency Condition either declared by Operating Agent or otherwise regarding the JPP.

18.5 JPP Joint Participants Authority.

18.5.1 General.

Operating Agent may take whatever actions or inactions with regard to the JPP or JPP Interconnection Facilities it deems necessary during an Emergency Condition in order to: (i) preserve public health and safety; (ii) preserve the reliability of the JPP or JPP Interconnection Facilities; (iii) limit or prevent damage; and (iv) expedite restoration of service.

Operating Agent shall use Reasonable Efforts to minimize the effect of such actions or inactions on the Large Generating Facility or Interconnection Customer’s Interconnection Facilities. Operating Agent may, on the basis of technical considerations, require the Large Generating Facility to mitigate an Emergency Condition by taking actions necessary and limited in scope to remedy the Emergency Condition, including, but not limited to, directing Interconnection Customer to shut-down, start-up, increase or decrease the real or reactive power output of the Large Generating Facility; implementing a reduction or disconnection pursuant to Article 18.5.2; directing Interconnection Customer to assist with black start (if available) or restoration efforts; or altering the outage schedules of the Large Generating Facility and Interconnection Customer’s Interconnection Facilities. Interconnection Customer shall comply with all of Operating Agent’s operating instructions concerning Large Generating Facility real power and reactive power output within the manufacturer’s design limitations and available for operation at the time, in compliance with Applicable Laws and Regulations and Applicable Reliability Standards.
15.4.2 Reduction and Disconnection.

18.5.2 Reduction and Disconnection.—Operating Agent may reduce Interconnection Service or disconnect the Large Generating Facility or Interconnection Customer’s Interconnection Facilities, when such reduction or disconnection is necessary under Good Utility Practice due to Emergency Conditions. These rights are separate and distinct from any right of curtailment of any Joint Participant pursuant to its respective open access transmission tariff. When Operating Agent can schedule the reduction or disconnection in advance, Operating Agent shall notify Interconnection Customer of the reasons, timing and expected duration of the reduction or disconnection. Operating Agent shall coordinate with Interconnection Customer using Good Utility Practice to schedule the reduction or disconnection during periods of least impact to Interconnection Customer and the JPP. Any reduction or disconnection shall continue only for so long as reasonably necessary under Good Utility Practice. The Parties shall cooperate with each other to restore the Large Generating Facility, the Interconnection Facilities, and the JPP to their normal operating state as soon as practicable consistent with Good Utility Practice.

15.5. 18.6 Interconnection Customer Authority.

Consistent with Good Utility Practice and the LGIA and the LGIP, Applicable Reliability Standards and this Agreement, Interconnection Customer may take actions or inactions with regard to the Large Generating Facility or Interconnection Customer’s Interconnection Facilities during an Emergency Condition in order to: (i) preserve public health and safety; (ii) preserve the reliability of the Large Generating Facility or Interconnection Customer’s Interconnection Facilities; (iii) limit or prevent damage; and (iv) expedite restoration of service. Interconnection Customer shall use Reasonable Efforts to minimize the effect of such actions or inactions on the JPP and JPP Interconnection Facilities. Operating Agent shall use Reasonable Efforts to assist Interconnection Customer in such actions.

15.6. 18.7 Limited Liability.

Except as otherwise provided in Article 13.6.1 of this LGIA Agreement, neither Party shall be liable to the other for any action it takes in responding to an Emergency Condition so long as such action is made in good faith and is consistent with Good Utility Practice.


16.1. 19.1 Regulatory Requirements.

Each Party’s obligations under this LGIA Agreement shall be subject to its receipt of any required approval or certificate from one or more Governmental Authorities in the form and substance satisfactory to the applying Party, or the Party making any required filings with, or providing notice to, such Governmental Authorities, and the expiration of any time period associated therewith. Each Party shall in good faith seek and use its Reasonable Efforts to obtain such other approvals. Nothing in this LGIA Agreement shall require Interconnection Customer or any Party to take any action that could result in its inability to obtain, or its loss of, status or exemption under the Federal...
19.2 Governing Law.

19.2.1 The validity, interpretation and performance of this LGIA Agreement and each of its provisions shall be governed by the laws of the state where the Point of Interconnection is located, without regard to its conflicts of law principles.

19.2.2 This LGIA Agreement is subject to all Applicable Laws and Regulations. Each Party expressly reserves the right to seek changes in, appeal, or otherwise contest any laws, orders, rules, or regulations of a Governmental Authority. Nothing in this Agreement shall be meant to imply or cede jurisdiction to FERC or any other regulatory entity, to the extent that FERC or other regulatory entity does not have jurisdiction over a Party to this Agreement. FERC and other regulatory entities have limited jurisdiction over certain Parties and, by executing this Agreement, no Party is waiving or conceding any defenses it has to assert jurisdictional defenses, including, but not limited to, sovereign immunity, intergovernmental immunities, or lack of subject matter jurisdiction.


20.1 General. Unless otherwise provided in this LGIA Agreement, any notice, demand or request required or permitted to be given by either Party to the other and any instrument required or permitted to be tendered or delivered by either Party in writing to the other shall be effective when delivered and may be so given, tendered or delivered, by recognized national courier, or by depositing the same with the United States Postal Service with postage prepaid, for delivery by certified or registered mail, addressed to the Party, or personally delivered to the Party, at the address set out in Appendix F, Addresses for Delivery of Notices and Billings to this Agreement.

Either Party Interconnection Customer and Operating Agent may change the notice information in this LGIA Agreement by giving five (5) Business Days written notice prior to the effective date of the change.

20.2 Billings and Payments.

Billings and payments shall be sent to the addresses set out in Appendix F to this Agreement.

20.3 Alternative Forms of Notice.

Any notice or request required or permitted to be given by a Party to the other and not required by this Agreement to be given in writing may be so given by telephone, facsimile or email to the telephone numbers and email addresses set out in Appendix F to this Agreement.

20.4 Operations and Maintenance Notice.

Each Party shall notify the other Party in writing of the identity of the person(s) that it designates as the point(s) of contact with respect to the implementation of Articles 11 and 12.
Article 18.  Force Majeure.

18.1. Force Majeure.

18.1.1. Economic hardship is not considered a Force Majeure event.

18.1.2. Neither Party shall be considered to be in Default with respect to any obligation hereunder, (including obligations under Article 5), other than the obligation to pay money when due, if prevented from fulfilling such obligation by Force Majeure. A Party unable to fulfill any obligation hereunder (other than an obligation to pay money when due) by reason of Force Majeure shall give notice and the full particulars of such Force Majeure to the other Party in writing or by telephone as soon as reasonably possible after the occurrence of the cause relied upon. Telephone notices given pursuant to this article shall be confirmed in writing as soon as reasonably possible and shall specifically state full particulars of the Force Majeure, the time and date when the Force Majeure occurred and when the Force Majeure is reasonably expected to cease. The Party affected shall exercise due diligence to remove such disability with reasonable dispatch, but shall not be required to accede or agree to any provision not satisfactory to it in order to settle and terminate a strike or other labor disturbance.


19.1. Default.


22.1.1 General. No Default shall exist where such failure to discharge an obligation (other than the payment of money) is the result of Force Majeure as defined in this Agreement or the result of an act of omission of the other Party. Upon a Breach, the non-breaching Party shall give written notice of such Breach to the breaching Party. Except as provided in Article 22.1.2, the breaching Party shall have thirty (30) Calendar Days from receipt of the Default notice within which to cure such Breach; provided however, if such Breach is not capable of cure within thirty (30) Calendar Days, the breaching Party shall commence such cure within thirty (30) Calendar Days after notice and continuously and diligently complete such cure within ninety (90) Calendar Days from receipt of the Default notice; and, if cured within such time, the Breach specified in such notice shall cease to exist.

19.1.2. Right to Terminate.

If a Breach is not cured as provided in this article, or if a Breach is not capable of being cured within the period provided for herein, the non-breaching Party shall have the right to declare a Default and terminate this Agreement by written notice at any time until cure occurs, and be relieved of any further obligation hereunder and, whether or not that Party terminates this Agreement, to recover from the breaching Party all amounts due hereunder, plus all other damages and remedies to which it is entitled at law or in equity. The provisions of this article will survive termination of this Agreement.
Article 20. Indemnity, Consequential Damages and Insurance

20.1. Indemnity.

23.1 Indemnity. Each Party shall at all times indemnify, defend, and hold the other Party (Indemnified Party) harmless from, any and all damages, losses, claims, including claims and actions relating to injury to or death of any person or damage to property, demand, suits, recoveries, costs and expenses, court costs, attorney fees, and all other obligations by or to third parties, arising out of or resulting from the other Party’s action or inactions of its obligations under this LGIA Agreement on behalf of the Indemnifying Party, except in cases of gross negligence or intentional wrongdoing by the indemnified Party.

20.1.1. Indemnified Party.

23.1.1 Indemnified Person. If an Indemnified Person is entitled to indemnification under this Article 220 as a result of a claim by a third party, and the Indemnifying Party fails, after notice and reasonable opportunity to proceed under Article 22.1 Section 20.1, to assume the defense of such claim, such Indemnified Person may at the expense of the Indemnifying Party contest, settle or consent to the entry of any judgment with respect to, or pay in full, such claim.

20.1.2. Indemnifying Party.

If an Indemnifying Party is obligated to indemnify and hold any Indemnified Person harmless under this Article 220, the amount owing to the Indemnified Person shall be the amount of such Indemnified Person’s actual Loss, net of any insurance or other recovery.

20.1.3. Indemnity Procedures.

Promptly after receipt by an Indemnified Person of any claim or notice of the commencement of any action or administrative or legal proceeding or investigation as to which the indemnity provided for in Article 22.1 Section 20.1 may apply, the Indemnified Person shall notify the Indemnifying Party of such fact. Any failure of or delay in such notification shall not affect a Party’s indemnification obligation unless such failure or delay is materially prejudicial to the Indemnifying Party.

The Indemnifying Party shall have the right to assume the defense thereof with counsel designated by such Indemnifying Party and reasonably satisfactory to the Indemnified Person. If the defendants in any such action include one or more Indemnified Persons and the Indemnifying Party and if the Indemnified Person reasonably concludes that there may be legal defenses available to it and/or other Indemnified Persons which are different from or additional to those available to the Indemnifying Party, the Indemnified Person shall have the right to select separate counsel to assert such legal defenses and to otherwise participate in the defense of such action on its own behalf. In such instances, the Indemnifying Party shall only be required to pay the fees and expenses of one additional attorney to represent an Indemnified Person or Indemnified Persons having such differing or additional legal defenses.
The Indemnified Person shall be entitled, at its expense, to participate in any such action, suit or proceeding, the defense of which has been assumed by the Indemnifying Party. Notwithstanding the foregoing, the Indemnifying Party (i) shall not be entitled to assume and control the defense of any such action, suit or proceedings if and to the extent that, in the opinion of the Indemnified Person and its counsel, such action, suit or proceeding involves the potential imposition of criminal liability on the Indemnified Person, or there exists a conflict or adversity of interest between the Indemnified Person and the Indemnifying Party, in such event the Indemnifying Party shall pay the reasonable expenses of the Indemnified Person, and (ii) shall not settle or consent to the entry of any judgment in any action, suit or proceeding without the consent of the Indemnified Person, which shall not be reasonably withheld, conditioned or delayed.

20.2. **Consequential Damages.**

23.2 **Consequential Damages.**—Other than the Liquidated Damages heretofore described, in no event shall either Party be liable under any provision of this LGIA Agreement for any losses, damages, costs or expenses for any special, indirect, incidental, consequential, or punitive damages, including but not limited to loss of profit or revenue, loss of the use of equipment, cost of capital, cost of temporary equipment or services, whether based in whole or in part in contract, in tort, including negligence, strict liability, or any other theory of liability; provided, however, that damages for which a Party may be liable to the other Party under another agreement will not be considered to be special, indirect, incidental, or consequential damages hereunder.

20.3. **Insurance.**

23.3 **Insurance.**—Each of the Operating Agent, on behalf of the JPP Joint Participants, and the Interconnection Customer shall, at its own expense, maintain in force throughout the period of this LGIA Agreement, and until released by the other party Party, the following minimum insurance coverages with insurers authorized to do business in the state where the Point of Interconnection is located:

- 20.3.1. **23.3.1 Employers’ Employer’s Liability and Workers’ Compensation Insurance** providing statutory benefits in accordance with the laws and regulations of the state in which the Point of Interconnection is located.

- 20.3.2. **23.3.2 Commercial General Liability Insurance including premises and operations, personal injury, broad form property damage, broad form blanket contractual liability coverage (including coverage for the contractual indemnification) products and completed operations coverage, coverage for explosion, collapse and underground hazards, independent contractors coverage, coverage for pollution to the extent normally available and punitive damages to the extent normally available and a cross liability endorsement, with minimum limits of One Million Dollars ($1,000,000) per occurrence/One Million Dollars ($1,000,000) aggregate combined single limit for personal injury, bodily injury, including death and property damage.

- 20.3.3. **23.3.3 Commercial Comprehensive Automobile Liability Insurance** for coverage of owned and non-owned non-owned and hired vehicles, trailers...
20.3.4. **23.3.4** Excess **Commercial General Liability** Insurance over and above the
Employers’ Liability, Commercial General Liability and **Commercial Comprehensive** Automobile General Liability Insurance coverage, with a minimum combined single limit of Twenty Million Dollars ($20,000,000) per occurrence.

20.3.5. **23.3.5** The Commercial General Liability Insurance, **Commercial Comprehensive** Automobile Insurance and Excess **Commercial General Liability** Insurance policies shall name the other party, its parent, associated and Affiliate companies and their respective directors, officers, agents, servants and employees (“Other Party Group”) as additional insured. All policies shall contain provisions whereby insurers waive all rights of subrogation in accordance with the provisions of this **LGIA Agreement** and provide thirty (30) Calendar Days advance written notice to the Other Party Group prior to anniversary date of cancellation or any material change in coverage or condition.

20.3.6. **23.3.6** The Commercial General Liability Insurance, **Commercial Comprehensive** Automobile Liability and Excess **Commercial General Liability** Insurance policies shall contain provisions that specify that the policies are primary and shall apply to such extent without consideration for other policies separately carried and shall state that each insured is provided coverage as though a separate policy had been issued to each, except the insurer’s liability shall not be increased beyond the amount for which the insurer would have been liable had only one insured been covered. Each party shall be responsible for its respective deductibles or retentions.

20.3.7. **23.3.7** The Commercial General Liability Insurance, **Commercial Comprehensive** Automobile Liability Insurance and Excess **Commercial General Liability** Insurance policies, if written on a Claims First Made Basis, shall be maintained in full force and effect for two (2) years after termination of this **LGIA Agreement**, which coverage may be in the form of tail coverage or extended reporting period coverage if agreed by the Parties.

20.3.8. **23.3.8** The requirements contained herein as to the types and limits of all insurance to be maintained by the parties are not intended to and shall not in any manner, limit or qualify the liabilities and obligations assumed by the Parties under this **LGIA Agreement**.

20.3.9. **23.3.9** Within ten (10) days following execution of this **LGIA Agreement**, and as soon as practicable after the end of each fiscal year or at the renewal of the insurance policy and in any event within ninety (90) days thereafter, each of the Operating Agent, on behalf of the JPP, and the Interconnection...
CustomerParty shall provide certification of all insurance required in this LGIAAgreement, executed by each insurer or by an authorized representative of each insurer.

20.3.10   23.3.10 Notwithstanding the foregoing, each of the Operating Agent, on behalf of the JPP, and the Interconnection CustomerParty may self-insure to meet the minimum insurance requirements of Articles 23.3.2 through 23.3.8 to the extent it maintains a self-insurance program; provided that, as applicable, such party's senior secured debt is rated at investment grade or better by Standard & Poor's and that its self-insurance program meets the minimum insurance requirements of Articles 23.3.2 through 23.3.8. For any period of time that a party's senior secured debt is unrated by Standard & Poor's or is rated at less than investment grade by Standard & Poor's, such party shall comply with the insurance requirements applicable to it under Articles 23.3.2 through 23.3.9. In the event that Operating Agent, on behalf of the JPP, or Interconnection CustomerParty is permitted to self-insure pursuant to this article, it shall notify the other party that it meets the requirements to self-insure and that its self-insurance program meets the minimum insurance requirements in a manner consistent with that specified in Article 23.3.9.

23.3.11 The Operating Agent, on behalf of the JPP, and Interconnection CustomerParties agree to report to each other in writing as soon as practical all accidents or occurrences resulting in injuries to any person, including death, and any property damage arising out of this LGIAAgreement.


24.1 Assignment—This LGIAAgreement may be assigned by either Party only with the written consent of the other, provided that, to the extent allowed by law, either Party may assign this LGIAAgreement without the consent of the other Party to any Affiliate of the assigning Party with an equal or greater credit rating and with the legal authority and operational ability to satisfy the obligations of the assigning Party under this LGIAAgreement; and provided further that Interconnection Customer shall have the right to assign this LGIAAgreement, without the consent of JPPOperating Agent, for collateral security purposes to aid in providing financing for the Large Generating Facility, provided that Interconnection Customer will promptly notify JPPOperating Agent of any such assignment. Any financing arrangement entered into by Interconnection Customer pursuant to this article will provide that prior to or upon the exercise of the secured party's, trustee's or mortgagee's assignment rights pursuant to said arrangement, the secured creditor, the trustee or mortgagee will notify JPPOperating Agent of the date and particulars of any such exercise of assignment right(s), including providing JPPOperating Agent with proof that it meets the requirements of Articles 13.5 and 23.3. Any attempted assignment that violates this article is void and ineffective. Any assignment under this LGIAAgreement shall not relieve a Party of its obligations, nor shall a Party's
Article 22. Article 25. Severability

25.1 Severability—If any provision in this LGIA Agreement is finally determined to be invalid, void or unenforceable by any court or other Governmental Authority having jurisdiction, such determination shall not invalidate, void or make unenforceable any other provision, agreement or covenant of this LGIA Agreement. If Interconnection Customer (or any third party, but only if such third party is not acting at the direction of Operating Agent) seeks and obtains such a final determination with respect to any provision of Article 5.1.2 or Article 5.1.4 of this Agreement, then none of these provisions shall thereafter have any force or effect and the Parties’ rights and obligations shall be governed solely by Article 5.1.1 of this Agreement.

Article 23. Article 26. Comparability

26.1 Comparability—The Parties will comply with all applicable comparability and code of conduct laws, rules and regulations, as amended from time to time.

Article 24. Article 27. Confidentiality

The Parties agree to protect Confidential Information and not to release or disclose it, except as allowed by this Agreement.

27.1 Confidentiality—Confidential Information shall include, without limitation, all information relating to a Party’s technology, research and development, business affairs, and pricing, and any information supplied by either of the Parties to the other prior to the execution of this LGIA Agreement.

Information is Confidential Information only if it is clearly designated or marked in writing as confidential on the face of the document, or, if the information is conveyed orally or by inspection, if the Party providing the information orally informs the Party receiving the information that the information is confidential.

If requested by either Party, the other Party shall provide in writing, the basis for asserting that the information referred to in this Article 27.1 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.

24.1. Term.

27.1.1 Term—During the term of this LGIA Agreement, and for a period of three (3) years after the expiration or termination of this LGIA Agreement, except as otherwise provided in this Article 27.1, each Party shall hold in confidence and shall not disclose to any person Confidential Information.
24.2. **Scope.**

27.1.2 **Scope.**—Confidential Information shall not include information that the receiving Party can demonstrate: (1) is generally available to the public other than as a result of a disclosure by the receiving Party; (2) was in the lawful possession of the receiving Party on a non-confidential basis before receiving it from the disclosing Party; (3) was supplied to the receiving Party without restriction by a third party, who, to the knowledge of the receiving Party after due inquiry, was under no obligation to the disclosing Party to keep such information confidential; (4) was independently developed by the receiving Party without reference to Confidential Information of the disclosing Party; (5) is, or becomes, publicly known, through no wrongful act or omission of the receiving Party or Breach of this LGIA Agreement; or (6) is required, in accordance with Article 27.1.7 of the LGIA Agreement, Order of Disclosure, to be disclosed by any Governmental Authority or is otherwise required to be disclosed by law or subpoena, or is necessary in any legal proceeding establishing rights and obligations under this LGIA Agreement. 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.

24.3. **Release of Confidential Information.**

Neither Party shall release or disclose Confidential Information to any other person, except to its Affiliates (limited by the applicable standards of conduct requirements), subcontractors, employees, consultants, or to parties who may be or considering providing financing to or equity participation with Interconnection Customer, or to potential purchasers or assignees of Interconnection Customer, on a need-to-know basis in connection with this LGIA Agreement, unless such person has first been advised of the confidentiality provisions of this Article 27 and has agreed to comply with such provisions. Notwithstanding the foregoing, a Party providing Confidential Information to any person shall remain primarily responsible for any release of Confidential Information in contravention of this Article 27.

24.4. **Rights.**

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

24.5. **No Warranties.**

27.1.5 **No Warranties.**—By providing Confidential Information, neither Party makes any warranties or representations as to its accuracy or completeness. In addition, by supplying Confidential Information, neither Party obligates itself to provide any particular information or Confidential Information to the other Party nor to enter into any further agreements or proceed with any other relationship or joint venture.

24.6. **Standard of Care.**

27.1.6 **Standard of Care.**—Each Party shall use at least the same standard of care to protect Confidential Information it receives as it uses to protect its own Confidential Information.
from unauthorized disclosure, publication or dissemination. Each Party may use Confidential Information solely to fulfill its obligations to the other Party under this LGIA Agreement or its regulatory requirements.

**24.7. Order of Disclosure.**

27.1.7 **Order of Disclosure.**—If (i) a court or a Governmental 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, or (ii) SRP receives a public records request to disclose Confidential Information, that Party shall provide the other Party with prompt notice of such request(s) or requirement(s) so that the other Party may seek an appropriate protective order or waive compliance with the terms of this LGIA Agreement. Notwithstanding the absence of a protective order or waiver, the Party may disclose such Confidential Information which, in the opinion of its counsel, the Party is legally compelled to disclose after providing the other Party notice as required by this Article 24.7 and an opportunity to seek a protective order. Each Party will use Reasonable Efforts to obtain reliable assurance that confidential treatment will be accorded any Confidential Information so furnished.

Interconnection Customer understands that, as a political subdivisions of the State of Arizona, ED2, ED3, ED4 and SRP may be subject to certain disclosure requirements under the Arizona public records law (A.R.S. § 39-101, et seq.). Provided that ED2, ED3, ED4 and SRP comply with the procedural requirements of this Article 24.7, and notwithstanding any other provision of this Agreement, SRP may release Interconnection Customer’s Confidential Information to a third party in response to a public records request submitted by such party.

**24.8. Termination of Agreement.**

27.1.8 **Termination of Agreement.**—Upon termination of this LGIA Agreement for any reason, each Party shall, within ten (10) Calendar Days of receipt of a written request from the other Party, use Reasonable Efforts to destroy, erase, or delete (with such destruction, erasure, and deletion certified in writing to the other Party) or return to the other Party, without retaining copies thereof, any and all written or electronic Confidential Information received from the other Party.

**24.9. Remedies.**

27.1.9 **Remedies.**—The Parties agree that monetary damages would be inadequate to compensate a Party for the other Party’s Breach of its obligations under this Article 27. Each Party accordingly agrees that the other Party shall be entitled to equitable relief, by way of injunction or otherwise, if the first Party Breaches or threatens to Breach its obligations under this Article 2724, which equitable relief shall be granted without bond or proof of damages, and the receiving Party shall not plead in defense that there would be an adequate remedy at law. Such remedy shall not be deemed an exclusive remedy for the Breach of this Article 2724, but shall be in addition to all other remedies available at law or in equity. The Parties further acknowledge and agree that the covenants contained herein are necessary for the protection of legitimate business interests and are reasonable in scope. No Party, however, shall be liable for indirect, incidental, or consequential or punitive damages of any nature or kind resulting from or arising in connection with this Article 2724.
24.10 Disclosure to FERC, its Staff or a State.

Disclosure to FERC, its Staff, or a State. Notwithstanding anything in this Article 24 to the contrary, and pursuant to 18 CFR § 1b.20, if FERC or its staff, during the course of an investigation or otherwise, requests information from one of the Parties that is otherwise required to be maintained in confidence pursuant to this Agreement, the Party shall provide the requested information to FERC or its staff, within the time provided for in the request for information, where required by law or Governmental Authority to do so. In providing the information to FERC or its staff, the Party must, consistent with 18 CFR § 388.112, request that the information be treated as confidential and non-public by FERC and its staff and that the information be withheld from public disclosure. Parties are prohibited from notifying the other Party to this Agreement prior to the release of the Confidential Information to FERC or its staff. The Party shall notify the other Party to the Agreement when it is notified by FERC or its staff that a request to release Confidential Information has been received by FERC, at which time either of the Parties may respond before such information would be made public, pursuant to 18 CFR § 388.112. Requests from a state regulatory body conducting a confidential investigation shall be treated in a similar manner if consistent with the applicable state rules and regulations.

24.11 Disclosure.

27.1.10 Disclosure under Operation of Law. Any information that a Party claims is competitively sensitive, commercial or financial information ("Confidential Information") under this Agreement shall not be disclosed by the other Party to any person not employed or retained by the other Party, except to the extent disclosure is (i) required by law; (ii) reasonably deemed by the disclosing Party to be required to be disclosed in connection with a dispute between or among the Parties, or the defense of litigation or dispute; (iii) otherwise permitted by consent of the other Party, such consent not to be unreasonably withheld; or (iv) necessary to fulfill its obligations under this LGIA Agreement or as a transmission service provider or a Balancing Area Authority Area operator including disclosing the Confidential Information to an RTO or ISO or to a 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.

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).

Operating Agent shall, at Interconnection Customer's election, destroy in a confidential manner, or return the Confidential Information provided at the time such Confidential Information is no longer needed.

28.1 The Operating Agent and Interconnection Customer Each Party shall notify one another first orally and then in writing, of the release of any Hazardous Substances, any asbestos or lead abatement activities, or any type of remediation activities...
related to the Large Generating Facility or the Interconnection Facilities, each of which may reasonably be expected to affect the other Party. The notifying Party shall: (i) provide the notice as soon as practicable, provided such Party makes a good faith effort to provide the notice no later than twenty-four (24) hours after such Party becomes aware of the occurrence; and (ii) promptly furnish to the other Party copies of any publicly available reports filed with any Governmental Authorities addressing such events.

**Article 26. Information Requirements**

26.1. **Information Acquisition.**

The Operating Agent and Interconnection Customer shall submit specific information regarding the electrical characteristics of their respective facilities to each other as described below and in accordance with Applicable Reliability Standards.

26.2. **Information Submission by Operating Agent.**

The initial information submission by JPP Operating Agent shall occur no later than one hundred eighty (180) Calendar Days prior to Trial Operation and shall include JPP information necessary to allow Interconnection Customer to select equipment and meet any system protection and stability requirements, unless otherwise agreed to by the Parties. On a monthly basis Operating Agent shall provide Interconnection Customer a status report on the construction and installation of JPP Interconnection Facilities and Network Upgrade(s), including, but not limited to, the following information: (1) progress to date; (2) a description of the activities since the last report; (3) a description of the action items for the next period; and (4) the delivery status of equipment ordered.

26.3. **Updated Information Submission by Interconnection Customer.**

The updated information submission by Interconnection Customer, including manufacturer information, shall occur no later than one hundred eighty (180) Calendar Days prior to the Trial Operation. Interconnection Customer shall submit a completed copy of the Large Generating Facility data requirements contained in Appendix 1 to the LGIPGIP. It shall also include any additional information provided to Operating Agent for the Feasibility and Cluster System Impact Study and the Interconnection Facilities Study. Information in this submission shall be the most current Large-Generating Facility design or expected performance data. Information submitted for stability models shall be compatible with the JPP standard models. If there is no compatible model, Interconnection Customer will work with a consultant mutually agreed to by the Parties to develop and supply a standard model and associated information.

If Interconnection Customer’s data is materially different from what was originally provided to Operating Agent pursuant to the Interconnection Study Agreement between JPP and Interconnection Customer, then Operating Agent will conduct appropriate studies to determine the impact on the JPP based on the actual data submitted pursuant to this Article 26.3. The Interconnection Customer shall not begin Trial Operation until such studies are completed.
26.4. Information Supplementation.

29.4 Information Supplementation—Prior to the Commercial Operation Date, the Parties shall supplement their information submissions described above in this Article with any and all “as-built” Large Generating Facility information or “as-tested” performance information that differs from the initial submissions or, alternatively, written confirmation that no such differences exist. The Interconnection Customer shall conduct tests on the Large Generating Facility as required by Good Utility Practice such as an open circuit “step voltage” test on the Large Generating Facility to verify proper operation of the Large Generating Facility’s automatic voltage regulator.

Unless otherwise agreed, the test conditions shall include: (1) Large Generating Facility at synchronous speed; (2) automatic voltage regulator on and in voltage control mode; and (3) a five percent change in Large Generating Facility terminal voltage initiated by a change in the voltage regulators reference voltage. Interconnection Customer shall provide validated test recordings showing the responses of Large Generating Facility terminal and field voltages. In the event that direct recordings of these voltages is impractical, recordings of other voltages or currents that mirror the response of the Large Generating Facility’s terminal or field voltage are acceptable if information necessary to translate these alternate quantities to actual Large Generating Facility terminal or field voltages is provided. Large Generating Facility testing shall be conducted and results provided to Operating Agent for each individual generating unit in a station.

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

Article 27. Information Access and Audit Rights.

27.1. Information Access.

Each Party (the “disclosing Party”) shall make available to the other Party information that is in the possession of the disclosing Party and is necessary in order for the other Party to: (i) verify the costs incurred by the disclosing Party for which the other Party is responsible under this LGIA Agreement; and (ii) carry out its obligations and responsibilities under this LGIA Agreement. The Parties shall not use such information for purposes other than those set forth in this Article and to enforce their rights under this LGIA Agreement.

27.2. Reporting of Non-Force Majeure Events.

Each Party (the “notifying Party”) shall notify the other Party when the notifying Party becomes aware of its inability to comply with the provisions of this LGIA Agreement for a reason other than a Force Majeure event. The Parties agree to cooperate with each other and provide necessary
information regarding such inability to comply, including the date, duration, reason for the inability to comply, and corrective actions taken or planned to be taken with respect to such inability to comply. Notwithstanding the foregoing, notification, cooperation or information provided under this article shall not entitle the Party receiving such notification to allege a cause for anticipatory breach of this LGIA Agreement.

27.3. Audit Rights.

30.3 Audit Rights. Subject to the requirements of confidentiality under Article 27.2 of this LGIA Agreement, each Party shall have the right, during normal business hours, and upon prior reasonable notice to the other Party, to audit at its own expense the other Party’s accounts and records pertaining to either Party’s performance or either Party’s satisfaction of obligations under this LGIA Agreement. Such audit rights shall include audits of the other Party’s costs, calculation of invoiced amounts, JPP’s efforts to allocate responsibility for the provision of reactive support to the Transmission System, JPP’s efforts to allocate responsibility for interruption or reduction of generation on the Transmission System, and each Party’s actions in an Emergency Condition. Any audit authorized by this article shall be performed at the offices where such accounts and records are maintained and shall be limited to those portions of such accounts and records that relate to each Party’s performance and satisfaction of obligations under this LGIA Agreement. Each Party shall keep such accounts and records for a period equivalent to the audit rights periods described in Article 30.4.2.

27.4. Audit Rights Periods.

27.4.1 Audit Rights Period for Construction-Related Accounts and Records.

Accounts and records related to the design, engineering, procurement, and construction of JPP Interconnection Facilities and Network Upgrades shall be subject to audit for a period of twenty-four months following JPP’s issuance of a final invoice in accordance with Article 17.2.

27.4.2 Audit Rights Period for All Other Accounts and Records.

Accounts and records related to either Party’s performance or satisfaction of all obligations under this LGIA Agreement other than those described in Article 30.4.1 shall be subject to audit as follows: (i) for an audit relating to cost obligations, the applicable audit rights period shall be twenty-four months (24) after the auditing Party’s receipt of an invoice giving rise to such cost obligations; and (ii) for an audit relating to all other obligations, the applicable audit rights period shall be twenty-four (24) months after the event for which the audit is sought.

27.5. Audit Results.

If an audit by a Party determines that an exception, such as an overpayment or an underpayment has occurred, a written notice of such overpayment or underpayment shall be given to the other Party together with those records from the audit which support such determination.
The other Party’s Authorized Representative shall respond in writing to such notification of any exception within thirty (30) Calendar Days. Upon resolution of any exception, the owing Party shall directly refund the amount of any exception to the other Party within thirty (30) Calendar days.

Article 28. Subcontractors

28.1 General.

Subcontractors. Nothing in this LGIA Agreement shall prevent a Party from utilizing the services of any subcontractor as it deems appropriate to perform its obligations under this LGIA Agreement; provided, however, that each Party shall require its subcontractors to comply with all applicable terms and conditions of this LGIA Agreement in providing such services and each Party shall remain primarily liable to the other Party for the performance of such subcontractor.

Subcontractors. The creation of any subcontract relationship shall not relieve the hiring Party of any of its obligations under this LGIA Agreement. The hiring Party shall be fully responsible to the other Party for the acts or omissions of any subcontractor the hiring Party hires as if no subcontract had been made; provided, however, that in no event shall Joint Participants be liable for the actions or inactions of Interconnection Customer or its subcontractors with respect to obligations of Interconnection Customer under Article 5 of this LGIA Agreement. Any applicable obligation imposed by this LGIA Agreement upon the hiring Party shall be equally binding upon, and shall be construed as having application to, any subcontractor of such Party.

No Limitation by Insurance.

31.3 No Limitation by Insurance—The obligations under this Article 31 will not be limited in any way by any limitation of subcontractor’s insurance.

Article 29. Disputes

29.1 Submission.

Submission. In the event either Party has a dispute, or asserts a claim, that arises out of or in connection with this LGIA Agreement or its performance, such Party (the “disputing Party”) shall provide the other Party with written notice of the dispute or claim (“Notice of Dispute”). Such dispute or claim shall be referred to a designated senior representative of each Party for resolution on an informal basis as promptly as practicable after receipt of the Notice of Dispute by the other 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 Agreement.
**29.2. 32.2 External Arbitration Procedures.**

Any arbitration initiated under this **LGIA Agreement** shall be conducted before a single neutral arbitrator appointed by the Parties. If the Parties fail to agree upon a single arbitrator within ten (10) Calendar Days of the submission of the dispute to arbitration, each Party shall choose one arbitrator who shall sit on a three-member arbitration panel. The two arbitrators so chosen shall within twenty (20) Calendar Days select a third arbitrator to chair the arbitration panel. In either case, the arbitrators shall be knowledgeable in electric utility matters, including electric transmission and bulk power issues, and shall not have any current or past substantial business or financial relationships with any party to the arbitration (except prior arbitration). The arbitrator(s) shall provide each of the Parties an opportunity to be heard and, except as otherwise provided herein, shall conduct the arbitration in accordance with the Commercial Arbitration Rules of the American Arbitration Association ("Arbitration Rules") and any applicable FERC regulations or RTO rules; provided, however, in the event of a conflict between the Arbitration Rules and the terms of this Article 32.29, the terms of this Article 32.29 shall prevail.

**29.3. 32.3 Arbitration Decisions.**

Unless otherwise agreed by the Parties, the arbitrator(s) shall render a decision within ninety (90) Calendar Days of appointment and shall notify the Parties in writing of such decision and the reasons therefor. The arbitrator(s) shall be authorized only to interpret and apply the provisions of this **LGIA Agreement** and shall have no power to modify or change any provision of this Agreement in any manner. The decision of the arbitrator(s) shall be final and binding upon the Parties, and judgment on the award **Judgment on the arbitrator's decision** 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 **Upgrade(s)** of any Joint Participant so obligated by FERC. **The decision of the arbitrator must also be submitted to SRP's Board of Directors for a final decision if it affects, rates, terms or conditions of service or facilities.**

**29.4. Costs.**

**32.4 Costs.** Each Party shall be responsible for its own costs incurred during the arbitration process and for the following costs, if applicable: (1) the cost of the arbitrator chosen by the Party to sit on the three-member panel and one half of the cost of the third arbitrator chosen; or (2) one half the cost of the single arbitrator jointly chosen by the Parties.

**Article 30. Article 33. Representations, Warranties, and Covenants.**

**30.1. General.**

**33.1 General.** Each Party makes the following representations, warranties and covenants:
30.1.1, 33.1.1—Good Standing.

Such Party is duly organized, validly existing and in good standing under the laws of the state in which it is organized, formed, or incorporated, as applicable; that it is qualified to do business in the state or states in which the Large Generating Facility, Interconnection Facilities and Network Upgrades owned by such Party, as applicable, are located; and that it has the corporate power and authority to own its properties, to carry on its business as now being conducted and to enter into this LGIA Agreement and carry out the transactions contemplated hereby and perform and carry out all covenants and obligations on its part to be performed under and pursuant to this LGIA Agreement.

30.1.2, Authority.

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

30.1.3, No Conflict.

33.1.3 No Conflict.—The execution, delivery and performance of this LGIA Agreement does not violate or conflict with the organizational or formation documents, or bylaws or operating agreement, of such Party, or any judgment, license, permit, order, material agreement or instrument applicable to or binding upon such Party or any of its assets.

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

Article 31. Article 34. Joint Operating Committee.

31.1 Joint Operating Committee.

34.1 Joint Operating Committee—Except in the case of ISOs and RTOs, JPP shall constitute Agent and Interconnection Customer shall be members of a Joint Operating Committee to coordinate operating and technical considerations of Interconnection Service with the E&O Committee. At least six (6) months prior to the expected Initial Synchronization Date, Operating Agent and Interconnection Customer and JPP shall each appoint one representative and one alternate to the Joint Operating Committee. Each Interconnection Customer shall notify JPP Operating Agent of its appointment in writing. Such appointments may be changed at any
time by similar notice. The Joint Operating Committee shall meet with the E&O Committee as necessary, but not less than once each calendar year, to carry out the duties set forth herein. The Joint Operating Committee shall hold a meeting at the request of either any Party, at a time and place agreed upon by the representatives during otherwise scheduled E&O Committee meetings. The Joint Operating Committee shall perform all of its duties consistent with the provisions of this LGIA Agreement. Each Party shall cooperate in providing to the Joint Operating Committee all information required in the performance of the Joint Operating Committee’s duties. All decisions and agreements, if any, made by the Joint Operating Committee, shall be evidenced in writing. The duties of the Joint Operating Committee shall include the following:

31.1.1, 34.1.1 Establish data requirements and operating record requirements.

31.1.2, 34.1.2 Review the requirements, standards, and procedures for data acquisition equipment, protective equipment, and any other equipment or software.

31.1.3, 34.1.3 Annually review the one (1) year forecast of maintenance and planned outage schedules of JPP’s and Interconnection Customer’s facilities at the Point of Interconnection.

31.1.4, 34.1.4 Coordinate the scheduling of maintenance and planned outages on the Interconnection Facilities, the Large Generating Facility and other facilities that impact the normal operation of the interconnection of the Large Generating Facility to the JPP.

31.1.5, 34.1.5 Ensure that information is being provided by each Party regarding equipment availability.

31.1.6, 34.1.6 Perform such other duties as may be conferred upon it by mutual agreement of the Parties.

Article 32. Article 35. Miscellaneous.

32.1, 35.1 Binding Effect.

This LGIA Agreement and the rights and obligations hereof, shall be binding upon and shall inure to the benefit of the successors and assigns of the Parties hereto, including each of the Joint Participants.

32.2, 35.2 Conflicts.

35.2 Conflicts—In the event of a conflict between the body of this LGIA Agreement and any attachment, appendices or exhibits hereto, the terms and provisions of the body of this LGIA Agreement shall prevail and be deemed the final intent of the Parties.
32.3 Rules of Interpretation.

35.3 Rules of Interpretation. This LGIA Agreement, unless a clear contrary intention appears, shall be construed and interpreted as follows: (1) the singular number includes the plural number and vice versa; (2) reference to any person includes such person's successors and assigns but, in the case of a Party, only if such successors and assigns are permitted by this LGIA Agreement, and reference to a person in a particular capacity excludes such person in any other capacity or individually; (3) reference to any agreement (including this LGIA Agreement), document, instrument or tariff means such agreement, document, instrument, or tariff as amended or modified and in effect from time to time in accordance with the terms thereof and, if applicable, the terms hereof; (4) reference to any Applicable Laws and Regulations means such Applicable Laws and Regulations as amended, modified, codified, or reenacted, in whole or in part, and in effect from time to time, including, if applicable, rules and regulations promulgated thereunder; (5) unless expressly stated otherwise, reference to any Article, Section or Appendix means such Article of this LGIA Agreement or such Appendix to this LGIA Agreement, or such Section to the LGIP Agreement or such Appendix to the LGIP Agreement, as the case may be; (6) “hereunder”, “hereof”, “herein”, “hereto” and words of similar import shall be deemed references to this LGIA Agreement as a whole and not to any particular Article or other provision hereof or thereof; (7) “including” (and with correlative meaning “include”) means including without limiting the generality of any description preceding such term; and (8) relative to the determination of any period of time, “from” means “from and including”, “to” means “to but excluding” and “through” means “through and including”.

35.4 Entire Agreement.

This LGIA, including all Appendices and Schedules attached hereto, constitutes Agreement, together with the EPC constitute the entire agreement between the Parties with reference to the subject matter hereof, and supersedes all prior and contemporaneous understandings or agreements, oral or written, between the Parties with respect to the subject matter of this LGIA Agreement. There are no other agreements, representations, warranties, or covenants which constitute any part of the consideration for, or any condition to, either Party’s compliance with its obligations under this LGIA Agreement.

35.5 No Third Party Beneficiaries.

This LGIA Agreement is not intended to and does not create rights, remedies, or benefits of any character whatsoever in favor of any persons, corporations, associations, or entities other than the Parties, and the obligations herein assumed are solely for the use and benefit of the Parties, their successors in interest and, where permitted, their assigns.

35.6 Waiver.

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

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

32.7  Headings.

35.7  Headings—The descriptive headings of the various Articles of this LGIA Agreement have been inserted for convenience of reference only and are of no significance in the interpretation or construction of this LGIA Agreement.

32.8  Amendment.

35.8  Multiple Counterparts. This LGIA may be executed in two or more counterparts, each of which is deemed an original but all constitute one and the same instrument.

35.9  Amendment—The Parties may by mutual agreement amend this LGIA Agreement by a written instrument duly executed by the Parties.

32.9  Appendix and Exhibit Revisions.

35.10  Modification by the Parties—The Parties may by mutual agreement modify Appendices and Exhibits to this LGIA by a written instrument duly executed by the Parties. Such modifications shall become effective and a part of this LGIA upon satisfaction of all Applicable Laws and Regulations.

32.9.1  Unless otherwise noted herein, appendices and exhibits to this Agreement may be modified by the E&O Committee if agreed to by the E&O Committee representative of each Participant and the Interconnection Customer in writing.

32.9.2  The Operating Agent shall submit each revised appendix and/or exhibit to the E&O Committee for its review and approval. Within thirty (30) days after approval of such revised appendices and/or exhibits by the E&O Committee, Operating Agent or designated FERC jurisdictional Participant shall file such revised appendices and/or exhibits with FERC for approval and distribute copies thereof to each Participant.

32.9.3  The effective date of a revised appendices and/or exhibits shall be as determined by the E&O Committee and is subject to FERC approval. Revised cost responsibility percentages shall be reflected in invoices following the FERC-approved effective date of the revised appendices and/or exhibits.

32.10  Modification by the Parties.

Appendices H and I of this Agreement may be revised by the Operating Agent, subject, however, to the approval of the E&O Committee. The other appendices or exhibits to this Agreement may be revised by mutual agreement of Interconnection Customer and the Operating Agent, subject, however, to the approval of the E&O Committee.
32.11  35.11 Reservation of Rights.

Each of the Joint Participants shall have the right to make a unilateral filing with FERC to modify this LGIA Agreement with respect to any rates, terms and conditions, charges, classifications of service, rule or regulation under section 205 or any other applicable provision of the Federal Power Act and FERC’s rules and regulations thereunder, and Interconnection Customer shall have the right to make a unilateral filing with FERC to modify this LGIA Agreement pursuant to section 206 or any other applicable provision of the Federal Power Act and FERC’s rules and regulations thereunder; provided that each Party shall have the right to protest any such filing and to participate fully in any proceeding before FERC in which such modifications may be considered. Nothing in this LGIA Agreement shall limit the rights of the Parties or of FERC under sections 205 or 206 of the Federal Power Act and FERC’s rules and regulations thereunder, except to the extent that the Parties otherwise mutually agree as provided herein.

32.12  No Partnership.

35.12 No Partnership. This LGIA Agreement shall not be interpreted or construed to create an association, joint venture, agency relationship, or partnership between the Parties or to impose any partnership obligation or partnership liability upon either Party. Neither Party shall have any right, power or authority to enter into any agreement or undertaking for, or act on behalf of, or to act as or be an agent or representative of, or to otherwise bind, the any other Party.

32.13  Electronic Signatures.

This Agreement may be executed in any number of counterparts, including in facsimile and electronic formats (including portable document format (.pdf) and with the use of an electronic or digital signature, each of which shall be deemed an original and all of which, when taken together, shall constitute one and the same instrument. Any signature page of this Agreement may be detached from any counterpart of this Agreement without impairing the legal effect of any signatures thereon.
IN WITNESS WHEREOF, the Parties have executed this LGIA Agreement in duplicate originals, each of which shall constitute and be an original effective Agreement between the Parties.

ARIZONA PUBLIC SERVICE COMPANY

[Insert name of Joint Participant(s)]

Name: __________________________
Title: __________________________
Date: __________________________

EL PASO ELECTRIC COMPANY

Name: __________________________
Title: __________________________
Date: __________________________

PUBLIC SERVICE COMPANY OF NEW MEXICO

Name: __________________________
Title: __________________________
Date: __________________________

SALT RIVER PROJECT AGRICULTURAL IMPROVEMENT AND POWER DISTRICT

Name: __________________________
Title: __________________________
By: ____________________________
By: ____________________________
Date: __________________________

INTERCONNECTION CUSTOMER

Name: __________________________
Title: __________________________
Date: __________________________

______________________________
{Insert name of Interconnection Customer}
By: ____________________________
Title: __________________________
Date: __________________________
Appendix A to LGIA

Interconnection Facilities, Network *Upgrades* Upgrade(s) and Distribution Upgrades Upgrade(s)

1. Interconnection Facilities:
   (a) [insert Interconnection Customer’s Interconnection Facilities]:
   (b) [insert Transmission Provider’s JPP Interconnection Facilities]:

2. Network Upgrades:

3. Distribution Upgrades
   (a) [insert Stand Alone Network Upgrades]:
   (b) [insert Other Shared Network Upgrades]:

FIGURE 1

FIGURE 2

3. Distribution Upgrades:
Appendix B to LGIA

Milestones

The following Milestones will be achieved as follows:

1. **Requested In-Service Date** – to be set forth in the Engineering, Procurement and Construction Agreement.
2. **Date of completion of Network Upgrades** –
3. **Permits** –
4. **Commercial Operation Date**:

**Affected Systems:**
Appendix C to LGIA

Interconnection Details

[Interconnection Requirements to Be Developed And Provided By Operating Agent] Requested Capacity In-service (MW)

At the end of the Seven Year Queue Limit, the amount of capacity actually in service is [MW] and shall be the maximum interconnection service allowed.
Appendix D to LGIA

Security Arrangements Details

Infrastructure security of JPP equipment and operations and control hardware and software is essential to ensure day-to-day Transmission System JPP reliability and operational security. All Joint Participants, and Interconnection Customers interconnected to the JPP are expected to comply with the recommendations offered by the President’s Critical Infrastructure Protection Board and, eventually, best practice recommendations from the electric reliability authority. All public utilities will be expected to meet basic Applicable Reliability Standards. Operating Agent meets, and expects its Interconnection Customers to meet, standards for system infrastructure and operational security, including physical, operational, and cyber-security practices.
Appendix E to LGIA

Commercial Operation Date

This Appendix E is a part of the LGIA between JPP and Interconnection Customer.

[Date]

[JPP Operating Agent Address]

Re: _______________Large___ Generating Facility

Dear ________________:

On [Date] [Interconnection Customer] has completed Trial Operation of Unit No. ____. This letter confirms that [Interconnection Customer] has commenced the Commercial Operation Date of Unit No. ______ at the Large Generating Facility, effective as of [Date plus one day]. The Capacity In-Service is _________________ MW.

Thank you.

[Signature]

[Interconnection Customer Representative]
Appendix F to LGIA

Addresses for Delivery of Notices and Billings

---

**Notices:**

**JPP Transmission Provider:**

Salt River Project  
[To be supplied.]  
Attn: Director, Transmission Planning Strategy & Development  
Mail Station POB100  
P.O. Box 52025  
Phoenix, AZ 85072-2025

Interconnection Customer:  
[To be supplied.]

---

**Billings and Payments:**

**JPP Transmission Provider:**

Salt River Project  
Attn: Director, Transmission Planning Strategy & Development  
Mail Station POB100  
P.O. Box 52025  
Phoenix, AZ 85072-2025

[To be supplied.]  
Interconnection Customer:  
[To be supplied.]

---

**Alternative Forms of Delivery of Notices (telephone, facsimile or email):**

**JPP Transmission Provider:**

Salt River Project  
Attn: Manager, Transmission Participation & Interconnection Projects  
Mail Station POB100
[To be supplied.]
Interconnection Customer:

[To be supplied.]
Appendix G to LGIA

Interconnection Requirements for a Wind Generating Plant

Requirements of Generators Relying on Newer Technologies

A. Technical Standards Applicable to a Wind Generating Plant

i. Low Voltage Ride-Through (LVRT) Capability

A wind generating plant shall be able to remain online during voltage disturbances up to the time periods and associated voltage levels set forth in the standard in Figure 1, below, if the Cluster System Impact Study shows that low voltage ride-through capability is required to ensure safety or reliability.

The standard applies to voltage measured at the Point of Interconnection as defined in this Agreement. The figure shows the ratio of actual to nominal voltage (on the vertical axis) over time (on the horizontal axis). Before time 0.0, the voltage at the transformer is the nominal voltage.

At time 0.0, the voltage drops. If the voltage remains at a level greater than 15 percent of the nominal voltage for a period that does not exceed 0.625 seconds, the plant must stay online. Further, if the voltage returns to 90 percent of the nominal voltage within 3 seconds of the beginning of the voltage drop (with the voltage at any given time never falling below the minimum voltage indicated by the solid line in Figure 1), the plant must stay online. The Interconnection Customer may not disable low voltage ride-through equipment while the wind plant is in operation.

Two key features of this regulation are:

1. A wind generating plant must have low voltage ride-through capability down to 15 percent of the rated line voltage for 0.625 seconds;
2. A wind generating plant must be able to operate continuously at 90 percent of the rated line voltage, measured at the high voltage side of the wind plant substation transformer(s).

![Figure 1 Proposed low voltage ride-through standard](image-url)
ii. Power Factor Design Criteria (Reactive Power)

A wind generating plant shall maintain a power factor within the range of 0.95 leading to 0.95 lagging, measured at the Point of Interconnection as defined in this Agreement, unless the Cluster System Impact Study shows that such a requirement is unnecessary to ensure safety or reliability. The power factor range standard can be met by using, for example, power electronics designed to supply this level of reactive capability (taking into account any limitations due to voltage level, real power output, etc.) or fixed and switched capacitors if agreed to by Operating Agent, or a combination of the two. The Interconnection Customer shall not disable power factor equipment while the wind plant is in operation. Wind plants shall also be able to provide sufficient dynamic voltage support in lieu of the power system stabilizer and automatic voltage regulation at the generator excitation system unless the Cluster System Impact Study shows this not to be required for system safety or reliability.

iii. Supervisory Control and Data Acquisition (SCADA) Capability

The wind plant shall provide SCADA capability to transmit data and receive instructions from the Transmission Provider to protect system reliability. The Transmission Provider and the wind plant Interconnection Customer shall determine what SCADA information is essential for the proposed wind plant, taking into account the size of the plant and its characteristics, location, and importance in maintaining generation resource adequacy and transmission system reliability in its area.
Appendix H-1

Exhibit 1

[FORM OF]

Common Facilities

This Exhibit 1 Appendix H-1 identifies Common Facilities, and their respective costs, associated with the ANPP VTS Jojoba 500kV switchyard, substation or line to which interconnection is provided for under this Agreement.

<table>
<thead>
<tr>
<th>Category</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Land</td>
<td>$25,328</td>
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<tr>
<td>Site prep, roads, drainage ditch and fence</td>
<td>$3,719,000</td>
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<tr>
<td>Ground grid</td>
<td>$518,000</td>
</tr>
<tr>
<td>Cable trench</td>
<td>$364,000</td>
</tr>
<tr>
<td>Main buses</td>
<td>$1,384,000</td>
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<tr>
<td>Control house</td>
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<tr>
<td>Communications</td>
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<td>AC and DC auxiliary power system</td>
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<td>Supervisory control system, annunciator</td>
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<td>DFR</td>
<td>$109,000</td>
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<tr>
<td>Security system</td>
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<tr>
<td><strong>Total</strong></td>
<td><strong>$8,277,813</strong></td>
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</table>

Common Facilities¹

Cost as of (month/year)

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<th>Component</th>
<th>Cost</th>
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<tbody>
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<td>$</td>
</tr>
<tr>
<td>Structures &amp; Improvements</td>
<td>$</td>
</tr>
</tbody>
</table>

¹Specify component of the JPP
<table>
<thead>
<tr>
<th>Item</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Roads</td>
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<tr>
<td>Overhead Conductor</td>
<td>$</td>
</tr>
<tr>
<td>Station Service</td>
<td>$</td>
</tr>
<tr>
<td>Meter Relay/Control</td>
<td>$</td>
</tr>
<tr>
<td>Digital Fault Recorder</td>
<td>$</td>
</tr>
<tr>
<td>DC System</td>
<td>$</td>
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</tr>
<tr>
<td>Subtotal</td>
<td>$</td>
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<tr>
<td>Administrative &amp; General Expenses</td>
<td>$</td>
</tr>
<tr>
<td>TOTAL</td>
<td>$</td>
</tr>
</tbody>
</table>
**Appendix H-2**

**Exhibit 2**

**[Form of]**

**Common Facilities Use Fee**

This Exhibit 2 provides the methodology for calculation of a one-time payment to be made by Interconnection Customer for use of Common Facilities.

The one-time payment by Interconnection Customer is calculated as follows:

\[
P = (OIC + X) \times CRR
\]

Where:

<table>
<thead>
<tr>
<th>Variable</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>P</td>
<td>Payment by Interconnection Customer for use of Common Facilities</td>
</tr>
<tr>
<td>OIC</td>
<td>Original Installed Costs of Common Facilities prior to Interconnection Customer’s interconnection, as shown on Appendix H-1&lt;sup&gt;1&lt;/sup&gt;</td>
</tr>
<tr>
<td>X</td>
<td>Cost of Capital Improvements of Common Facilities from April 2015 to date&lt;sup&gt;2&lt;/sup&gt;</td>
</tr>
<tr>
<td>CRR</td>
<td>Interconnection Customer’s Cost Responsibility Ratio as calculated pursuant to Appendix I</td>
</tr>
</tbody>
</table>

<sup>1</sup> Original Common Facilities cost were fully paid for by APS and current interconnectors.

<sup>2</sup> The Cost of Capital Improvements of Common Facilities of the Jojoba Switchyard will be determined to date of the execution of this Agreement. These Capital Improvements were paid for by the four (4) owners (APS, EPE, PNM, SRP) and current interconnectors based upon ownership percentages and terminations. Interconnection Customer will also be billed for any Capital Improvements pertaining to the Common Facilities of the Jojoba Switchyard that occur between the execution of this Agreement and the In-Service Date of the project according to the methodology describe in this Exhibit 2.
Appendix I
Cost Responsibility Ratio (CRR)

This appendix sets forth the computation of the Interconnection Customer’s Cost Responsibility Ratio (CRR) for expenses relating to operations, maintenance, Capital Improvements and insurances, associated with the Transmission Provider’s Interconnection Facilities, and SRP substation Common Facilities pursuant to Section 12.5 of this Agreement.

\[ \text{CRR} = \frac{A}{A+B+C} \]

- **A** = Connections used by Interconnection Customer (IC)
- **B** = Connections used by JPP
- **C** = Connections used by others
- **X** = Excluded Connections – Connections created for the sole purpose of facilitating a dedicated substation connection to JPP.

TOTAL NUMBER OF JOINT PARTICIPANTS INTERCONNECTIONS =

<table>
<thead>
<tr>
<th>Connections at JPP - Hypothetical calculation for illustration only</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Name of Connection</strong></td>
</tr>
<tr>
<td>JPP Hypothetical Line 1</td>
</tr>
<tr>
<td>JPP Hypothetical Line 1</td>
</tr>
<tr>
<td>IC Hypothetical Line</td>
</tr>
<tr>
<td>Other interconnector Line</td>
</tr>
<tr>
<td>Excluded Connections</td>
</tr>
</tbody>
</table>

\[ \text{CRR} = \frac{1}{1+2+1} = 25\% \]

Note:

1. The CRR shall be applied to the one-time payment pursuant to Appendix H-2
2. The CRR also shall be applied to all other costs and expenses that allocable to Interconnection Customer under this Agreement as set forth in Article 12.5 and Article 14 herein.
**Exhibit 3 Appendix J**

**Third Party Interconnection Reimbursement Methodology**

**[Form of]**

**THIRD PARTY INTERCONNECTION REIMBURSEMENT METHODOLOGY**

This Exhibit 3 appendix sets forth examples illustrating the responsibilities for future interconnectors (Third Parties) to the JPP Interconnection Facilities to reimburse Interconnection Customer for Interconnection Customer’s initial capital cost expenses for Common JPP Interconnection Facilities pursuant to Article 11.9.3, 12.5 of this Agreement.

**Key to Tables 1 - 3 in examples below:**

<table>
<thead>
<tr>
<th>A</th>
<th>=</th>
<th>Connections used by Interconnection Customer (Inter. Cust.)</th>
</tr>
</thead>
<tbody>
<tr>
<td>B</td>
<td>=</td>
<td>Connections used by Joint Participant Project (JPP)</td>
</tr>
<tr>
<td>C</td>
<td>=</td>
<td>Connections used by Third Parties</td>
</tr>
</tbody>
</table>

1. Table #1 details (illustrative) currently configured cost responsibilities:

<table>
<thead>
<tr>
<th>Table #1—Current JPP Interconnection Configuration</th>
<th>O&amp;M Cost Responsibility</th>
<th>Capital Reimbursement to Inter. Cust.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Inter. Cust.</td>
<td>(Del) ( \frac{A}{A + B + C} ) (Del) ( \frac{1}{1 + 0 + 0} ) (Del) ( 1 )</td>
<td>(Del)</td>
</tr>
<tr>
<td>JPP</td>
<td>(Del) ( \frac{B}{A + B + C} ) (Del) ( 0 ) (Del) ( 0 )</td>
<td>(Del)</td>
</tr>
<tr>
<td>Third Party</td>
<td>(Del) ( \frac{C}{A + B + C} ) (Del) ( 0 ) (Del) ( 0 )</td>
<td>(Del)</td>
</tr>
</tbody>
</table>
2. Table #2 illustrates cost responsibilities assuming a single future third-party interconnector along with the interconnectors of Table #1:

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>(Del) A</td>
<td>(Del) ( \frac{1}{1+0+1} )</td>
<td>(Del) ( \frac{1}{2} )</td>
</tr>
<tr>
<td>(Del) B</td>
<td>(Del) ( \frac{0}{1+0+1} )</td>
<td>(Del) ( \frac{0}{2} )</td>
</tr>
<tr>
<td>(Del) C</td>
<td>(Del) ( \frac{1}{1+0+1} )</td>
<td>(Del) ( \frac{1}{2} )</td>
</tr>
</tbody>
</table>

3. Table #3 illustrates cost responsibilities assuming a second future third-party interconnector along with the interconnectors of Table #2:

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<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>(Del) A</td>
<td>(Del) ( \frac{1}{1+0+1} )</td>
<td>(Del) ( \frac{1}{2} )</td>
</tr>
<tr>
<td>(Del) B</td>
<td>(Del) ( \frac{0}{1+0+1} )</td>
<td>(Del) ( \frac{0}{2} )</td>
</tr>
<tr>
<td>(Del) C</td>
<td>(Del) ( \frac{1}{1+0+1} )</td>
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</table>
### Table #1 – Current Interconnection Configuration

<table>
<thead>
<tr>
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<tbody>
<tr>
<td>Inter. Cust.</td>
<td>(Add) $\frac{A}{(A + B + C)}$ (Add) $\frac{1}{(1 + 0 + 2)}$ (Add) $\frac{1}{(3)}$ (Add) $\frac{1}{3}$</td>
</tr>
<tr>
<td>JPP</td>
<td>(Add) $\frac{0}{(A + B + C)}$ (Add) $\frac{0}{(1 + 0 + 2)}$ (Add) $\frac{0}{(3)}$ (Add)</td>
</tr>
<tr>
<td>#1 Third Party</td>
<td>(Add) $\frac{C}{(A + B + C)}$ (Add) $\frac{1}{(1 + 0 + 2)}$ (Add) $\frac{1}{(3)}$ (Add) $\frac{1}{3}$</td>
</tr>
<tr>
<td>#2 Third Party</td>
<td>(Add) $\frac{C}{(A + B + C)}$ (Add) $\frac{1}{(1 + 0 + 2)}$ (Add) $\frac{1}{(3)}$ (Add) $\frac{1}{6}$</td>
</tr>
</tbody>
</table>

### Table #2 - Potential Third Party Interconnection: for illustration only

<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Inter. Cust.</td>
<td>(Add) $\frac{A}{(A + B + C)}$ (Add) $\frac{1}{(1 + 0 + 1)}$ (Add) $\frac{1}{(2)}$</td>
</tr>
</tbody>
</table>

**ANPP VTS Standard GIA**

Effective: November 7, 2023
2. Table #2 illustrates cost responsibilities assuming a single future third party interconnector along with the interconnectors of Table #1:

3. Table #3 illustrates cost responsibilities assuming a second future third party interconnector along with the interconnectors of Table #2:

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>JPP</td>
<td>(Add) (\frac{B}{A + B + C})</td>
<td>(Add) (\frac{0}{1 + 0 + 1})</td>
</tr>
<tr>
<td>Third Party</td>
<td>(Add) (\frac{C}{A + B + C})</td>
<td>(Add) (\frac{1}{1 + 0 + 1})</td>
</tr>
</tbody>
</table>

Table #3 - Potential Third Party Interconnection: for illustration only

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>JPP</td>
<td>(Add) (\frac{A}{A + B + C})</td>
<td>(Add) (\frac{1}{1 + 0 + 2})</td>
</tr>
<tr>
<td>#1 Third Party</td>
<td>(Add) (\frac{C}{A + B + C})</td>
<td>(Add) (\frac{1}{1 + 0 + 2})</td>
</tr>
<tr>
<td>#2 Third Party</td>
<td>(Add) (\frac{C}{A + B + C})</td>
<td>(Add) (\frac{1}{1 + 0 + 2})</td>
</tr>
</tbody>
</table>
Appendix K

Mitigation Facility Fee

Exhibit 4

Operating Work

This Exhibit 4 describes the Operating Work to be performed by Operating Agent, as including, without limitation, all work performed by, or caused to be performed by, the Operating Agent that is necessary for the operation and maintenance of the JPP, which work includes, but is not limited to, the work listed in the ANPP Valley Transmission System Operation Agreement (engineering, agreement preparation, purchasing, repair, supervision, training, expediting, inspection, testing, protection, operation, retirement, maintenance, use, management, and making capital Improvements). Operating Work shall include any work necessitated by an Operating Emergency.
Exhibit 5

{form of}

Cost Responsibility Ratio ("CRR")

This Exhibit 5 provides the computation of the Cost Responsibility Ratio ("CRR") for the JPP after Interconnection Customer’s interconnection:

\[
CRR = \frac{B}{A + B + C}
\]

Where:
- \(A\) = Connections used by Joint Participants
- \(B\) = Connections used by Interconnection Customer
- \(C\) = Connections used by others

TOTAL NUMBER OF JOINT PARTICIPANTS INTERCONNECTIONS =

Connections at JPP

<table>
<thead>
<tr>
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<th>JPP</th>
<th>Interconnection Customer</th>
<th>Others</th>
</tr>
</thead>
<tbody>
<tr>
<td>Xxxxxxxx</td>
<td>xx</td>
<td>xx</td>
<td>xx</td>
</tr>
<tr>
<td>Etc</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Total Connections =

Note:

(1) The CRR shall be applied to the one-time payment pursuant to Exhibit 2

(2) The CRR also shall be applied to all other costs and expenses that allocable to Interconnection Customer under this Agreement.
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PALO VERDE – PINAL CENTRAL
STANDARD GENERATOR
INTERCONNECTION AGREEMENT (GIA)
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STANDARD GENERATOR INTERCONNECTION AGREEMENT

This Generator Interconnection Agreement (Agreement) is made and entered into this [Click or tap to enter a date], by and between [Name of Interconnection Customer], a [Type of Organization] organized and existing under the laws of the State/Commonwealth of [Click or tap here to enter text], (Interconnection Customer with a Generating Facility), and the owners of the Palo Verde-Pinal Central 500 kV Transmission Line Project (JPP), a jointly owned transmission facility located in the State of Arizona. The owners include Arizona Electric Power Cooperative, Inc., (AEPCO) a non-profit rural electric cooperative corporation organized under the generation and transmission cooperatives laws of the State of Arizona, Electrical District No. 2, Pinal County, an electrical district organized and existing under the laws of the State of Arizona(ED2), Electrical District No. 3, Pinal County, an electrical district organized and existing under the laws of the State of Arizona(ED3), Electrical District No. 4, Pinal County, an electrical district organized and existing under the laws of the State of Arizona(ED4), Salt River Project Agricultural Improvement and Power District, an agricultural improvement district organized and existing under the laws of the State of Arizona(SRP), and Tucson Electric Power Company, an Arizona corporation (collectively, the “Joint Participants”). Interconnection Customer and the Joint Participants each may be referred to as a “Party” or collectively as the “Parties.”

Recitals

WHEREAS, the Joint Participants are parties to the Second Amended and Restated Participation Agreement (Participation Agreement) dated October 31, 2011, as amended from time to time, to establish the terms and conditions relating to their interest in and their ownership of the JPP;

WHEREAS, Interconnection Customer intends to own, lease and/or control and operate the Generating Facility identified as a Generating Facility in Appendix C to this Agreement;

WHEREAS, Interconnection Customer and the Joint Participants have agreed to enter into this Agreement for the purpose of interconnecting the Generating Facility with the JPP;

NOW, THEREFORE, in consideration of and subject to the mutual covenants contained herein, it is agreed:

When used in this Generator Interconnection Agreement terms with initial capitalization that are not defined in Article 1 shall have the meanings specified in the Article in which they are used or in SRP’s Generator Interconnection Procedures. Where meanings conflict, those set forth herein shall prevail.

Article 1. Definitions.

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

Affected System shall mean an electric system other than the JPP 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 JPP 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 Standards** shall mean the North American Electric Reliability Corporation (NERC) mandatory reliability standards, the Western Electric Coordinating Council (WECC) regional criteria and the Balancing Authority procedures and requirements.

**Balancing Authority** shall mean, as such definition may be amended from time to time by NERC, the responsible entity that integrates resource plans ahead of time, maintains load-interchange-generation balancing within a Balancing Authority Area, and supports interconnection frequency in real time.

**Balancing Authority Area** shall mean the collection of generation, transmission and loads within the metered boundaries of the Balancing Authority. The Balancing Authority maintains load resource balance within this area as such definition may be amended from time to time by NERC.

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

**Breach** shall mean the failure of a Party to perform or observe any material term or condition of this Agreement.

**Breaching Party** shall mean a Party that is in Breach of this Agreement.

**Business Day** shall mean Monday through Friday, excluding federal holidays.

**Calendar Day** shall mean any day including Saturday, Sunday or a federal holiday.

**Capital Improvements** shall mean any unit of property added to the JPP including the JPP Interconnection Facilities, the enlargement or betterment of any unit of property constituting a part of the JPP including the JPP Interconnection Facilities, and the replacement of any unit of property constituting a part of the JPP including the JPP Interconnection Facilities, irrespective of whether such replacement constitutes an enlargement or betterment of that which it replaces; which such additions, betterments and replacement in accordance with standard accounting practices used by the JPP would be capitalized.

**Cluster** shall mean a group of one or more Interconnection Requests that are studied together for the purpose of conducting the Cluster System Impact Study and Network Upgrade(s) Facilities Study.
Cluster System Impact Study 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 within the Cluster Request Window were interconnected without project modifications or system modifications, focusing on the Adverse System Impacts, or to study potential impacts, including but not limited to those identified in the Scoping Meeting as described in the GIP.

Cluster System Impact Study Agreement shall mean the form of agreement contained in Appendix 3.1 of the GIP for conducting the Cluster System Impact Study.

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

Commercial Operation Date (COD) shall mean the date on which the Generating Facility commences Commercial Operation as agreed to by the Parties pursuant to Appendix E to this Agreement.

Common Facilities shall mean those certain facilities of the JPP described in Appendix H-1 to this Agreement.

Common Facilities Use Fee shall mean the one-time payment by Interconnection Customer for the non-exclusive use and benefit of the JPP Common Facilities, as described in Article 12.5 of this Agreement and detailed in Appendix H-2 to this 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.

Connections shall mean each termination in the (Insert Name of Substation/Switchyard), as shown in Figure 1 of Appendix A, as such figure may be revised by the Operating Agent from time to time in accordance with this Agreement to accurately reflect the then-current terminations in the (Insert Name of Substation/Switchyard).

Cost Responsibility Ratio (CRR) is the ratio of responsibility for costs allocated to the Interconnection Customer and detailed in Appendix I to this Agreement.

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

Critical Energy Infrastructure Information shall mean specific engineering, vulnerability, or detailed design information about proposed or existing critical infrastructure that: (a) relates details about the production, generation, transportation, transmission, or distribution of energy; (b) could be useful to a person in planning an attack on critical infrastructure; (c) is exempt
from mandatory disclosure under the Freedom of Information Act, 5 U.S.C. § 552; and (d) does not simply give the general location of the critical infrastructure.

**Default** shall mean the failure of a Breaching Party to cure its Breach in accordance with Article 19 of this Agreement.

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

**Distribution System** shall mean any Joint Participant’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 Upgrade(s)** shall mean the additions, modifications, and upgrades to any Joint Participant’s Distribution System at or beyond the Point of Interconnection to facilitate interconnection of the Generating Facility. Distribution Upgrade(s) do not include Interconnection Facilities.

**Effective Date** shall mean the date on which this Agreement becomes effective upon execution by the Parties subject to acceptance by FERC, if applicable.

**Electric Storage Resource** shall mean a resource capable of receiving electric energy from the grid or onsite generation, and storing it for later injection of electric energy back to the grid.

**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 Joint Participant or Operating Agent, is imminently likely (as determined in a non-discriminatory manner) to cause a material adverse effect on the security of, or damage to a Joint Participant’s Transmission System, the JPP Interconnection Facilities or the electric systems of others to which the JPP 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 this Agreement to possess black start capability.

**Engineering & Operating Committee** (E&O Committee) shall mean the committee organized pursuant to the JPP governing documents.

**Engineering Procurement, and Construction Agreement** (EPC Agreement) shall mean an agreement that authorizes Operating Agent to begin engineering and procurement of long lead-time items necessary for the establishment of the interconnection in order to advance the implementation of the Interconnection Request.

**Environmental Law** shall mean Applicable Laws or Regulations relating to pollution or protection of the environment or natural resources.
**Existing Generating Facility** shall mean a Generating Facility that is currently in-service or a Generating Facility with an unsuspended Generation Interconnection Agreement.


**FERC** shall mean the Federal Energy Regulatory 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 generating facility as described in Appendix C to this Agreement 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 at the Point of Interconnection where it includes multiple energy production devices.

**Generating Facility Modification** shall mean modification to the Existing Generating Facility, including comparable replacement of only a portion of the equipment at the Existing Generating Facility.

**Generation Interconnection Procedures (GIP)** shall mean SRP’s Standard Generator Interconnection Procedures.

**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, including those practices as required by the Federal Power Act section 215(a)(4).

**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 a Party, its respective facilities, or the respective services it provides, 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, Joint Participants, Operating Agent, 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,” or any other classification or regulation adopted by the Federal Power Act, or any state or local governmental authority.
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 JPP Interconnection Facilities will be energized and back feed power will be available to the Interconnection Customer.

**Interconnection Customer** shall mean any entity, including any Joint Participant or any of the Affiliates or subsidiaries thereof, or representative of an Existing Generating Facility, that proposes to interconnect its Generating Facility or Replacement Generating Facility with the JPP.

**Interconnection Customer’s Interconnection Facilities** shall mean all facilities and equipment, as identified in Appendix A to this 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 JPP. Interconnection Customer’s Interconnection Facilities are sole use facilities.

**Interconnection Facilities** shall mean the JPP Interconnection Facilities and the Interconnection Customer’s Interconnection Facilities. Collectively, Interconnection Facilities include all facilities, including any modification, additions, or upgrades that are necessary to physically and electrically interconnect the Generating Facility to the JPP. Interconnection Facilities are sole use facilities and shall not include Distribution Upgrade(s), Stand Alone Network Upgrade(s), or Network Upgrade(s).

**Interconnection Facilities Study(ies)** shall mean the Point of Interconnection Facilities Study and the Network Upgrade(s) Facilities Study.

**Interconnection Request** shall mean an Interconnection Customer’s request, in the form of Appendix 1 to the GIP, 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 JPP.

**Interconnection Service** shall mean the service provided by the JPP associated with interconnecting the Interconnection Customer’s Generating Facility to the JPP and enabling the JPP to receive electric energy and capacity from the Generating Facility at the Point of Interconnection, pursuant to the terms of this Agreement. Interconnection Service does not convey transmission service.

**Interconnection Study** shall mean any of the following studies: the Cluster System Impact Study, the Network Upgrade(s) Facilities Study, the Point of Interconnection Facilities Study, the Transitional Facilities Study, the Transitional System Impact Study, the Replacement Impact Study, the Reliability Assessment Study and the Generator Replacement Interconnection Facilities Study, described in the GIP.

**Inverter-Based Resource** shall mean any technology that requires an inverter to convert direct current (DC) electricity into alternating current (AC) electricity and is directly connected to
the bulk power system, An Inverter-Based Resource may be a Generating Facility and/or Electric Storage Resource.

**IRS** shall mean the Internal Revenue Service.

**Joint Operating Committee** shall be a group made up of representatives from Interconnection Customer and the Joint Participants to coordinate operating and technical considerations of Interconnection Service.

**Joint Participation Project** (JPP) shall mean the Palo Verde-Pinal Center 500 kV Transmission Line Project as described in the Participation Agreement, as amended from time to time.

**Joint Participant Project Interconnection Facilities** (JPP Interconnection Facilities) shall mean all facilities and equipment owned, controlled, or operated by the Joint Participants from the [Insert Name of Substation/Switchyard] side of the Point of Change of Ownership to the Point of Interconnection as identified in Appendix A to this Agreement, including any modifications, additions or upgrades to such facilities and equipment. JPP Interconnection Facilities are sole use facilities and shall not include Distribution Upgrade(s), Stand Alone Network Upgrade(s) or Network Upgrade(s).

**Joint Participant(s)** shall mean the owners of the JPP as defined above, individually or as a group of any one or more, pursuant to the Development and Operating Agreement, as amended from time to time. Joint Participant(s) include the owner(s) designated as the entity(ies) responsible for managing operations, for purposes herein referred to as “Operating Agent(s).”

**JPP Land** shall mean that certain real property parcels, located within Pinal County, more particularly described as APN 40144003A and APN 401440050.

**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 this Agreement on behalf of the indemnifying Party, except in cases of gross negligence or intentional wrongdoing by the indemnifying Party.

**Material Modification** shall mean: (1) modification to an Interconnection Request in the Queue that has a material impact on the cost or timing of any Interconnection Request with a later or equal Queue Position; or (2) a planned modification to an Existing Generating Facility that is undergoing evaluation for a Generating Facility Modification or Generation Replacement, and that has a material impact on the Transmission System, as compared to the impacts of the Existing Generating Facility prior to the modification or replacement. The evaluation may consist of various analyses, including but not limited to, power flow, transient and post-transient stability, power factor, and a short circuit analysis.

**Maximum Capacity** shall mean the maximum megawatt capacity that the Generating Facility will generate at the Point of Interconnection as verified by the Operating Agent.

**Metering Equipment** shall mean all metering equipment installed or to be installed at or near the Generating Facility pursuant to this 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.

**Mitigation Facility Fee** shall mean the fee to be paid by the Interconnection Customer as determined by the Operating Agent in accordance with Appendix K to this Agreement.

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

**Network Upgrade(s)** shall mean the additions, modifications, and upgrades to the JPP required at or beyond the point at which the Interconnection Facilities connect to the JPP to accommodate the interconnection of the Generating Facility to the JPP.

**Network Upgrade() Facilities Study** shall mean a study conducted by the Transmission Provider or its third party consultant to determine a list of facilities required to implement Network Upgrade(s) as identified in the Cluster System Impact Study, the cost of those Network Upgrade(), and the time required to implement those Network Upgrade(s). The scope of the study is defined in Section 8 of the GIP.

**Notice of Dispute** shall mean a written notice of a dispute or claim that arises out of or in connection with this Agreement or its performance.

**Open Access Same-Time Information System (OASIS)** shall mean the information posted on the internet as maintained by Operating Agent.

**Operating Agent(s)** shall mean the Joint Participant(s) designated by the Joint Participants to be responsible for operating work and Capital Improvements for the JPP.

**Party or Parties** shall mean Joint Participants, including Operating Agent, Interconnection Customer or any combination of the above.

**Point of Change of Ownership (PCO)** shall mean the point, as set forth in Appendix A to this Agreement, where the Interconnection Customer’s Interconnection Facilities connect to the JPP Interconnection Facilities.

**Point of Interconnection (POI)** shall mean the point, as set forth in Appendix A to this Agreement, where the Interconnection Facilities connect to the JPP.

**Point of Interconnection Facilities Study** shall mean a study conducted by the Operating Agent or its third party consultant to determine a list of facilities (including JPP Interconnection Facilities), the cost of those facilities and the time required to interconnect the Generating Facility with the JPP. The scope of the study is defined in Section 8 of the GIP.

**Queue Position** shall mean the order of a valid Interconnection Request, relative to all other pending valid Interconnection Requests, that is established based upon the date and time that Interconnection Customer satisfies all of the requirements of Section 3.3.1 of the GIP.

**Reasonable Efforts** shall mean, with respect to an action required to be attempted or taken by a Party under the GIP or this 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.
Requested In-Service Date shall mean the Interconnection Customer’s requested Initial Service Date.

Requested Initial Synchronization Date shall mean the Interconnection Customer’s requested Initial Synchronization Date.

Requested Maximum Capacity shall mean the Interconnection Customer’s requested total Maximum Capacity at the Point of Interconnection.

Re-Study(ies) shall mean the partial or complete reassessment of an Interconnection Study. The results of a Re-study(ies) supersede and replace in whole or in part the results of the preceding Interconnection Study.

Scoping Meeting shall mean the meeting between representatives of the Interconnection Customer(s) and Operating Agent 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 Point of Interconnection.

Seven Year Queue Limit shall mean that date seven (7) years from the Interconnection Customer’s Queue Position date, upon which the Generating Facility is fixed at its Maximum Capacity or the then-current amount of capacity.

Shared Network Upgrade(s) shall mean a Network Upgrade(s) that has been assigned to an Interconnection Customer(s) and is subsequently identified as necessary to accommodate the interconnection of the Generating Facility of an Interconnection Customer(s) in a later Cluster and meets the requirements pursuant to the process outlined in Section 5.3 of the GIP and SRP’s Business Practice(s) posted on OASIS.

Site Control shall mean the land right to develop, construct, operate and maintain the Generating Facility or the land right to develop, construct, operate and maintain the Generating Facility and Interconnection Customer’s Interconnection Facilities in accordance with the GIP and SRP’s Business Practice posted on OASIS.

SRP shall mean Salt River Project Agricultural Improvement and Power District as a Joint Participant and Operating Agent for the JPP.

SRP Business Practice(s) shall mean one or more business practices of SRP as posted on OASIS.

Stand Alone Network Upgrade(s) shall mean Network Upgrade(s) that are not part of an Affected System that an Interconnection Customer may construct without affecting day-to-day operations of the JPP during their construction. Both the Joint Participants and Interconnection Customer must agree as to what constitutes Stand Alone Network Upgrade(s) and identify them in Appendix A to this Agreement. If the Joint Participants and Interconnection Customer disagree about whether a particular Network Upgrade(s) is a Stand Alone Network Upgrade(s), the Operating Agent must provide the Interconnection Customer a written technical explanation outlining why the Joint Participants do not consider the Network Upgrade(s) to be a Stand Alone Network Upgrade(s) within fifteen (15) Business Days of its determination.
Surplus Interconnection Service shall mean any unneeded portion of Interconnection Service established in a 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 JPP from faults or other electrical disturbances occurring at the Generating Facility or (2) the Generating Facility from faults or other electrical system disturbances occurring on the JPP or on other delivery systems or other generating systems to which the JPP is directly connected.

Transmission System shall mean the facilities owned, controlled or operated by any entity(ies) that are used to provide transmission service.

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

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

WECC is the Western Electric Coordinating Council or its successor organization.

Article 2. Effective Date, Term, and Termination.

2.1. Effective Date.

This Agreement shall become effective upon execution by the Parties subject to acceptance by FERC, if applicable. Those Joint Participants who are FERC-jurisdictional shall promptly file this Agreement with FERC upon execution in accordance with Article 3 of this Agreement, if required.

2.2. Term of Agreement.

This Agreement shall remain in effect unless and until terminated as provided for in Article 2.3 herein.

2.3. Termination Procedures.

2.3.1. Written Notice.

This Agreement shall terminate upon the first of the following events to occur: (i) the termination of the Participation Agreement; (ii) written agreement of all Parties to terminate this Agreement; (iii) termination of this Agreement pursuant to Article 19 of this Agreement; (iv) upon no less than ninety (90) Calendar Days advance written notice of termination from Interconnection Customer to Operating Agent; or (v) by Operating Agent after the Generating Facility permanently ceases Commercial Operation. For purposes of this Article 2.3, the Development and Operating Agreement shall not be deemed to have terminated at any time when (i) the JPP is being operated in substantially the same manner as on the Interconnection Facilities In-Service Date and (ii) an agreement pertaining to the...
operation of the JPP is in effect among the Joint Participants on substantially the same terms as on the Interconnection Facilities In-Service Date. Notwithstanding the foregoing, this Agreement shall not be terminated if the Interconnection Customer has been approved for replacing or modifying its Generating Facility per Section 3.11 of the GIP until the Agreement associated with the Replacement Facility is in effect.

2.3.2. Default.

Prior to the termination of this Agreement by termination of the Development and Operating Agreement, the Joint Participants agree to negotiate in good faith with Interconnection Customer and to proceed with due diligence to develop a replacement agreement which provides similar benefits to the Parties under substantially the same terms and conditions as this Agreement.

2.3.3. Compliance with Applicable Laws and Regulations.

Notwithstanding Articles 2.3.1 and 2.3.2, no termination shall become effective until the Parties have complied with all Applicable Laws and Regulations applicable to such termination, including, if necessary, the filing with FERC of a notice of termination of this Agreement, which notice has been accepted for filing by FERC.

2.4. Termination Costs.

2.4.1. With respect to any portion of JPP Interconnection Facilities that have not yet been constructed or installed, Operating Agent shall to the extent possible and with Interconnection Customer’s authorization cancel any pending orders of, or return, any materials or equipment for, or contracts for construction of such facilities; provided that in the event Interconnection Customer elects not to authorize such cancellation, Interconnection Customer shall assume all payment obligations with respect to such materials, equipment, and contracts, and Operating Agent shall deliver such material and equipment, and, if necessary, assign such contracts, to Interconnection Customer as soon as practicable, at Interconnection Customer’s expense. To the extent that Interconnection Customer has already paid Operating Agent for any or all such costs of materials or equipment not taken by Interconnection Customer, Operating Agent shall promptly refund such amounts to Interconnection Customer, less any costs, including penalties incurred by Operating Agent to cancel any pending orders of or return such materials, equipment, or contracts.

If the Interconnection Customer terminates this Agreement, it shall be responsible for all costs incurred in association with such interconnection, including any cancellation costs relating to orders or contracts for Interconnection Facilities and equipment, and other expenses including any Network Upgrades for which Operating Agent has incurred expenses and has not been reimbursed by Interconnection Customer.

2.4.2. Operating Agent may, at its option, retain any portion of such materials, equipment, or facilities that Interconnection Customer chooses not to accept delivery of, in
which case Operating Agent shall be responsible for all costs associated with procuring such materials, equipment, or facilities.

2.4.3. With respect to any portion of the Interconnection Facilities, and any other facilities already installed or constructed pursuant to the terms of this Agreement, Interconnection Customer shall be responsible for all costs associated with the removal, relocation or other disposition or retirement of such materials, equipment, or facilities.

2.5. Disconnection.

Upon termination of this Agreement, the Parties will take all appropriate steps to disconnect the Generating Facility from the Transmission System. All costs required to effectuate such disconnection shall be borne by the terminating Party, unless such termination resulted from the non-terminating Party’s Default of this Agreement or the non-terminating Party otherwise is responsible for these costs under this Agreement.

2.6. Survival.

This Agreement shall continue in effect after termination to the extent necessary to provide for final billings and payments and for costs incurred hereunder, including billings and payments pursuant to this Agreement; to permit the determination and enforcement of liability and indemnification obligations arising from acts or events that occurred while this Agreement was in effect; and to permit each Party to have access to the lands of the other Party pursuant to this Agreement or other applicable agreements, to disconnect, remove or salvage its own facilities and equipment.

Article 3. Regulatory Filings.

Each FERC-jurisdictional Party shall file this Agreement (and any amendment hereto) with the appropriate Governmental Authority, if required. Any Party may request that any information so provided be subject to the confidentiality provisions of Article 24 herein. The Parties shall reasonably cooperate with respect to any such filing and provide any information reasonably requested by any Party needed to comply with applicable regulatory requirements.

Article 4. Scope of Service.

4.1. Provision of Service.

The Joint Participants shall provide Interconnection Service for the Generating Facility at the Point of Interconnection. Interconnection Service shall not exceed the Maximum Capacity as specified in Appendix C to this Agreement.

4.2. Performance Standards.

Each Party shall perform all of its obligations under this Agreement in accordance with Applicable Laws and Regulations, Applicable Reliability Standards, and Good Utility Practice, and to the extent a Party is required or prevented or limited in taking any action by such regulations and standards, such Party shall not be deemed to be in Breach of this Agreement for its compliance therewith.
4.3. No Transmission Service.

The execution of this Agreement does not constitute a request for, nor the provision of, any transmission service under any Joint Participant's open access transmission tariff, and does not convey any right to deliver electricity to any specific customer or Point of Delivery.

4.4. Interconnection Customer Provided Services.

The services provided by Interconnection Customer under this Agreement are set forth in Section 11.6 and Section 15.4.1. Interconnection Customer shall be paid for such services in accordance with Section 13.7.


5.1. Options.

Unless otherwise mutually agreed to between the Parties, Interconnection Customer shall select the Requested In-Service Date, Requested Initial Synchronization Date, and Commercial Operation Date; and either the Standard Option or Alternate Option set forth below, and such dates and selected option shall be set forth in Appendices A, B and E to this Agreement. If the dates designated by Interconnection Customer are not acceptable to Operating Agent, Operating Agent shall so notify Interconnection Customer within thirty (30) Calendar Days. Upon receipt of the notification that Interconnection Customer's designated dates are not acceptable, the Interconnection Customer shall notify Operating Agent within thirty (30) Calendar Days whether it elects to exercise the Option to Build if it has not already elected to exercise the Option to Build.

5.1.1. Standard Option.

Operating Agent shall design, procure, and construct JPP’s Interconnection Facilities and Network Upgrade(s), using Reasonable Efforts to complete JPP Interconnection Facilities and Network Upgrade(s) by the dates set forth in Appendix B to this Agreement. Operating Agent shall not be required to undertake any action which is inconsistent with its standard safety practices, its material and equipment specifications, its design criteria and construction procedures, its labor agreements, and Applicable Laws and Regulations. In the event the Operating Agent reasonably expects that it will not be able to complete JPP Interconnection Facilities and Network Upgrade(s) by the specified dates, Operating Agent shall promptly provide written notice to Interconnection Customer and shall undertake Reasonable Efforts to meet the earliest dates thereafter.

5.1.2. Alternate Option.

If the dates designated by Interconnection Customer are acceptable to Joint Participants, Operating Agent shall so notify Interconnection Customer within thirty (30) Calendar Days, and shall assume responsibility for the design, procurement and construction of JPP Interconnection Facilities by the designated dates.

5.1.3. Option to Build.

Interconnection Customer shall have the option to assume responsibility for the design, procurement and construction of a portion of the JPP’s Interconnection
Facilities as described in the SRP Business Practice and Stand Alone Network Upgrade(s) on the dates specified in Article 5.1.2. Operating Agent and Interconnection Customer must agree as to what constitutes Stand Alone Network Upgrade(s) and identify such Stand Alone Network Upgrade(s) in Appendix A to this Agreement. Except for Stand Alone Network Upgrade(s), Interconnection Customer shall have no right to construct Network Upgrade(s) under this option. Operating Agent and Interconnection Customer must agree as to what constitutes Stand Alone Network Upgrade(s) and identify such Stand Alone Network Upgrade(s) in Appendix A to this Agreement. Except for Stand Alone Network Upgrade(s), Interconnection customer shall have no right to construct Network Upgrade(s) under this option.

5.1.4. Negotiated Option.

If the dates designated by Interconnection Customer are not acceptable to Joint Participants, the Parties may in good faith attempt to negotiate terms and conditions (including revision of the specified dates, the provision of incentives, or the procurement and construction of all facilities other than JPP’s Interconnection Facilities and Stand Alone Network Upgrade(s) if the Interconnection Customer elects to exercise the Option to Build under Article 5.1.3). If the Parties are unable to reach agreement on such terms and conditions, then pursuant to Article 5.1.1, Operating Agent shall assume responsibility for the design, procurement and construction of all facilities other than JPP’s Interconnection Facilities and Stand Alone Network Upgrade(s) if the Interconnection Customer elects to exercise the Option to Build.

5.2. General Conditions Applicable to Option to Build.

As described further in SRP Business Practices posted on OASIS, if Interconnection Customer assumes responsibility for the design, procurement and construction of a portion of the JPP’s Interconnection Facilities:

1. Interconnection Customer shall engineer, procure equipment, and construct JPP’s Interconnection Facilities and Stand Alone Network Upgrade(s) (or portions thereof) using Good Utility Practice, approved equipment vendors, and using standards and specifications provided by Operating Agent;

2. Interconnection Customer’s engineering, procurement and construction of JPP’s Interconnection Facilities and Stand Alone Network Upgrade(s) shall comply with all requirements of law to which Operating Agent would be subject in the engineering, procurement or construction of JPP Interconnection Facilities and Stand Alone Network Upgrade(s);

3. Joint Participants shall review and approve the engineering design, equipment acceptance tests, and the construction of JPP Interconnection Facilities and Stand Alone Network Upgrade(s);

4. Prior to commencement of construction, Interconnection Customer shall provide to Operating Agent a schedule for construction of JPP’s Interconnection Facilities and Stand Alone Network Upgrade(s), and shall promptly respond to requests for information from Operating Agent;
5. At any time during construction, Operating Agent shall have the right to gain unrestricted access to JPP’s Interconnection Facilities and Stand Alone Network Upgrade(s) and to conduct inspections of the same;

6. At any time during construction, should any phase of the engineering, equipment procurement, or construction of JPP’s Interconnection Facilities and Stand Alone Network Upgrade(s) not meet the standards and specifications provided by Operating Agent, Interconnection Customer shall be obligated to remedy deficiencies in that portion of JPP’s Interconnection Facilities and Stand Alone Network Upgrade(s) before continuing any further activity;

7. Interconnection Customer shall indemnify Joint Participants for claims arising from Interconnection Customer’s construction of JPP’s Interconnection Facilities and Stand Alone Network Upgrade(s) under the terms and procedures applicable to Article 23 of this Agreement;

8. Interconnection Customer shall transfer control of JPP’s Interconnection Facilities and Stand Alone Network Upgrade(s) to the Joint Participants;

9. Unless Parties otherwise agree, Interconnection Customer shall transfer ownership of JPP’s Interconnection Facilities and Stand Alone Network Upgrade(s) to Joint Participants;

10. Joint Participants shall approve and accept for operation and maintenance JPP’s Interconnection Facilities and Stand Alone Network Upgrade(s) to the extent engineered, procured, and constructed in accordance with this Article 5.2;

11. Interconnection Customer shall deliver to Operating Agent “as-built” drawings, information, and any other documents that are reasonably required by Joint Participants to assure that the Interconnection Facilities and Stand Alone Network Upgrade(s) are built to the standards and specifications required by Joint Participants; and

12. If Interconnection Customer exercises the Option to Build pursuant to Article 5.1.3, Interconnection Customer shall pay Operating Agent the actual amount of costs for Operating Agent to execute the responsibilities enumerated to Operating Agent under this Article 5.2.

5.3. Additional Contracts.

Joint Participants and Interconnection Customer may enter into additional contracts as appropriate for activities related to engineering, procurement and construction of Interconnection Facilities and Network Upgrade(s).

5.4. Power System Stabilizers.

The Interconnection Customer shall procure, install, maintain and operate power system stabilizers in accordance with the guidelines and procedures established by the Applicable Reliability Standards. Operating Agent reserves the right to reasonably establish minimum acceptable settings for any installed power system stabilizers, subject to the design and operating limitations of the Generating Facility. If the Generating Facility’s power system stabilizers are
removed from service or not capable of automatic operation, Interconnection Customer shall immediately notify the Operating Agent’s system operator, or its designated representative.

5.5. **Equipment Procurement.**

If responsibility for construction of JPP’s Interconnection Facilities or Network Upgrade(s) is to be borne by Operating Agent, then Operating Agent shall commence design of JPP Interconnection Facilities or Network Upgrade(s) and procure necessary equipment as soon as practicable after all of the following conditions are satisfied, unless the Parties otherwise agree in writing:

5.5.1. Operating Agent has completed all required studies pursuant to the GIP;

5.5.2. Operating Agent has received written authorization to proceed with design and procurement from Interconnection Customer by the date specified in Appendix B to this Agreement or in the EPC Agreement; and

5.5.3. Interconnection Customer has provided security to Operating Agent in accordance with Article 13.6 by the dates specified in Appendix B to this Agreement or in the EPC Agreement.

5.6. **Construction Commencement.**

Operating Agent shall commence construction of JPP Interconnection Facilities and Network Upgrade(s) for which it is responsible as soon as practicable after the following additional conditions are satisfied:

5.6.1. Approval of the appropriate Governmental Authority has been obtained for any facilities requiring regulatory approval;

5.6.2. Necessary real property rights and rights-of-way have been obtained, to the extent required for the construction of a discrete aspect of JPP Interconnection Facilities and Network Upgrade(s);

5.6.3. Operating Agent has received written authorization to proceed with construction from Interconnection Customer by the date specified in Appendix B to this Agreement; and

5.6.4. Interconnection Customer has provided security to Operating Agent in accordance with Article 13.6 by the dates specified in Appendix B to this Agreement.

5.7. **Interconnection Customer’s Interconnection Facilities.**

Interconnection Customer shall, at its expense, design, procure, construct, own and install Interconnection Customer’s Interconnection Facilities, as set forth in Appendix A to this Agreement.

5.7.1. **Interconnection Customer’s Interconnection Facilities Specifications.**

Interconnection Customer shall submit initial specifications for the Interconnection Customer’s Interconnection Facilities, including System Protection Facilities, to Operating Agent at least one hundred eighty (180) Calendar Days prior to the
Requested In-Service Date; and final specifications for review and comment at least ninety (90) Calendar Days prior to the Requested Initial Synchronization Date. Operating Agent shall review such specifications to ensure that Interconnection Customer's Interconnection Facilities are compatible with the technical specifications, operational control, and safety requirements of Operating Agent and comment on such specifications within thirty (30) Calendar Days of Interconnection Customer’s submission. All specifications provided hereunder shall be deemed confidential.

5.7.2. Operating Agent’s Review.

Operating Agent’s review of Interconnection Customer’s final specifications shall not be construed as confirming, endorsing, or providing a warranty as to the design, fitness, safety, durability or reliability of the Generating Facility, or Interconnection Customer’s Interconnection Facilities. Interconnection Customer shall make such changes to Interconnection Customers Interconnection Facilities as may reasonably be required by Operating Agent, in accordance with Good Utility Practice, to ensure that Interconnection Customer’s Interconnection Facilities are compatible with the technical specifications, operational control, and safety requirements of the JPP.

5.7.3. Interconnection Customer’s Interconnection Facilities Construction.

Interconnection Customer’s Interconnection Facilities shall be designed and constructed in accordance with Good Utility Practice. Within one hundred twenty (120) Calendar Days after the Commercial Operation Date, unless the Parties agree on another mutually acceptable deadline, Interconnection Customer shall deliver to Operating Agent “as-built” drawings, information and documents for Interconnection Customer’s Interconnection Facilities, such as: a one-line diagram, a site plan showing the Generating Facility and Interconnection Customer’s Interconnection Facilities, plan and elevation drawings showing the layout of Interconnection Customer’s Interconnection Facilities, a relay functional diagram, relaying AC and DC schematic wiring diagrams and relay settings for all facilities associated with Interconnection Customer’s step-up transformers, the facilities connecting the Generating Facility to the step-up transformers and Interconnection Customer’s Interconnection Facilities, and the impedances (determined by factory tests) for the associated step-up transformers and the Generating Facility. The Interconnection Customer shall provide Operating Agent with specifications for the excitation system, automatic voltage regulator, Generating Facility control and protection settings, transformer tap settings, and communications, if applicable.

5.8. JPP Interconnection Facilities Construction.

JPP Interconnection Facilities shall be designed and constructed in accordance with Good Utility Practice. Upon request, within one hundred twenty (120) Calendar Days after the Commercial Operation Date, unless the Parties agree on another mutually acceptable deadline, Operating Agent shall deliver to Interconnection Customer records of installed equipment (as-built) drawings, information and documents for JPP Interconnection Facilities, including such appropriate drawings and relay diagrams.
Joint Participant’s will obtain control of JPP’s Interconnection Facilities and Stand Alone Network Upgrade(s) upon completion of such facilities.

5.9. Work Progress.

The Parties will keep each other advised periodically as to the progress of their respective design, procurement and construction efforts. Either Party may, at any time, request a progress report from the other Party. If, at any time, Interconnection Customer determines that the completion of JPP Interconnection Facilities will not be required until after the specified Requested In-Service Date, Interconnection Customer will provide written notice to Operating Agent of such later date upon which the completion of JPP Interconnection Facilities will be required.

5.10. Information Exchange.

As soon as reasonably practicable after the Effective Date, the Parties shall exchange information regarding the design and compatibility of the Parties’ Interconnection Facilities and compatibility of the Interconnection Facilities with the JPP, and shall work diligently and in good faith to make any necessary design changes.

5.11. Limited Operation.

If any of JPP Interconnection Facilities or Network Upgrade(s) are not reasonably expected to be completed prior to the Requested Initial Synchronization Date of the Generating Facility, Operating Agent shall, upon the request and at the expense of Interconnection Customer, perform operating studies on a timely basis to determine the extent to which the Generating Facility and Interconnection Customer’s Interconnection Facilities may operate prior to the completion of JPP Interconnection Facilities or Network Upgrade(s) consistent with Applicable Laws and Regulations, Applicable Reliability Standards, Good Utility Practice, and this Agreement. Operating Agent shall permit Interconnection Customer to operate the Generating Facility and Interconnection Customer’s Interconnection Facilities in accordance with the results of such studies.

5.12. Land of Other Property Owners.

If any part of JPP Interconnection Facilities and/or Network Upgrade(s) is to be installed on property owned by persons other than Interconnection Customer or Joint Participants, Operating Agent shall at Interconnection Customer’s expense use efforts, similar in nature and extent to those that it typically undertakes on its own behalf or on behalf of its Affiliates, including use of its eminent domain authority, and to the extent consistent with state law to procure from such persons any rights of use, licenses, rights of way and easements that are necessary to construct, operate, maintain, test, inspect, replace or remove JPP Interconnection Facilities and/or Network Upgrade(s) upon such property.

5.13. Access Rights

Upon reasonable notice and supervision by a Party, and subject to any required or necessary regulatory approvals, a Party (Granting Party) shall furnish at no cost to the other Party (Access Party) any rights of use, licenses, rights of way and easements with respect to lands owned or controlled by the Granting Party, its agents (if allowed under the applicable agency agreement), or any Affiliate, that are necessary to enable the Access Party to obtain ingress and egress to construct, operate, maintain, repair, test (or witness testing), inspect, replace or remove facilities.
and equipment to: (i) interconnect the Generating Facility with the JPP; (ii) operate and maintain the Generating Facility and the Interconnection Facilities; and (iii) disconnect or remove the Access Party’s facilities and equipment upon termination of this Agreement. In exercising such licenses, rights of way and easements, the Access Party shall not unreasonably disrupt or interfere with normal operation of the Granting Party’s business and shall adhere to the safety rules and procedures established in advance, as may be changed from time to time, by the Granting Party and provided to the Access Party. Such Access Rights shall be subject to modification and relocation by the Joint Participants as described in Article 5.1 of this Agreement and shall each terminate without further act of any Party upon termination of this Agreement. Upon such termination, each grantee under the applicable Access Right shall, at the request of Operating Agent, execute and deliver to the requesting Party in recordable form an instrument evidencing such termination.


The Interconnection Customer bears sole responsibility for obtaining all permits, licenses and authorizations required for the requested interconnection, unless otherwise specifically noted in Appendix B to this Agreement.

5.15. Early Construction of Base Case Facilities.

Interconnection Customer may request Operating Agent to construct, and Operating Agent shall construct, using Reasonable Efforts to accommodate Interconnection Customer’s Requested In-Service Date, all or any portion of any Network Upgrade(s) required for Interconnection Customer to be interconnected to the JPP, which are included in the Base Case of the Interconnection Facilities Study for Interconnection Customer, and which also are required to be constructed for another Interconnection Customer, but where such construction is not scheduled to be completed in time to achieve Interconnection Customer’s Requested In-Service Date.

5.16. Suspension.

Interconnection Customer reserves the right, upon written notice to Operating Agent, to suspend at any time all work by Operating Agent associated with the construction and installation of JPP Interconnection Facilities and/or Network Upgrade(s) required under this Agreement with the condition that the JPP shall be left in a safe and reliable condition in accordance with Good Utility Practice and Operating Agent’s safety and reliability criteria. In such event, Interconnection Customer shall be responsible for all reasonable and necessary costs which Operating Agent (i) has incurred pursuant to this Agreement prior to the suspension and (ii) incurs in suspending such work, including any costs incurred to perform such work as may be necessary to ensure the safety of persons and property and the integrity of the JPP during such suspension and, if applicable, any costs incurred in connection with the cancellation or suspension of material, equipment and labor contracts which Operating Agent cannot reasonably avoid; provided, however, that prior to canceling or suspending any such material, equipment or labor contract, Operating Agent shall obtain Interconnection Customer’s authorization to do so.

Operating Agent shall invoice Interconnection Customer for such costs pursuant to Article 14 and shall use due diligence to minimize its costs. In the event Interconnection Customer suspends work by Operating Agent required under this Agreement pursuant to this Article 5.16, and has not requested Operating Agent to recommence the work required under this Agreement on or before the expiration of three (3) years following commencement of such suspension, this Agreement
shall be deemed terminated. The three-year period shall begin on the date the suspension is requested, or the date of the written notice to Operating Agent, if no effective date is specified.

Notwithstanding the forgoing, nothing in this section supersedes, modifies or tolls the requirements set forth in Section 3.3.2 of the GIP associated with this Agreement. At the end of the Seven Year Queue Limit, the amount of capacity actually in service shall be reflected in Appendix C to this Agreement as the maximum interconnection service allowed.

5.17. Easement.

The Joint Participants will grant to the Interconnection Customer, and their successors and assigns, subject to the terms and conditions of this Agreement, including, without limitation, any provisions relating to relocation or termination, a non-exclusive easement in a location on the JPP Land, reasonably determined by the Operation Agent, substantially in the form attached as Appendix L to this Agreement, (an Easement) for the purposes of locating the Interconnection Customer’s Interconnection Facilities and installing, operating, maintaining, repairing and replacing the Interconnection Customer’s Interconnection Facilities. The Joint Participants make no representation, warranty, or covenant of any kind regarding the title to or priority of such Easements. The Interconnection Customer’s Interconnection Facilities shall initially be constructed by Interconnection Customer in the location designated or approved by the Operating Agent and shall not be relocated or modified by Interconnector without the consent of the Operating Agent. The Joint Participants may modify or relocate the Interconnection Customer’s Interconnection Facilities, subject to the prior approval of the E&O Committee, as required: (i) to meet Applicable Reliability Standards, or (ii) to facilitate future Connections in accordance with Good Utility Practice and Applicable Reliability Standards. To the extent permitted by law, the costs of future Connections, including the costs of modifications or relocations required to facilitate such Connections, shall be payable solely by the party requesting such Connection. In the event that the Joint Participants propose to make any such modification or relocation, the Operating Agent will notify the Interconnection Customer in advance and provide a reasonable opportunity for consultation. The Easement shall terminate without further act of any Party upon termination of this Agreement. Upon such termination, each grantee under the applicable Easement shall, at the request of Operating Agent or any Joint Participant, execute and deliver to the requesting Party in recordable form an instrument evidencing such termination.

Article 6. Taxes.

6.1. Interconnection Customer Payments Not Taxable.

The Parties intend that all payments or property transfers made by Interconnection Customer to Joint Participants for the installation of JPP Interconnection Facilities and the Network Upgrade(s) shall be non-taxable, either as contributions to capital, or as an advance, in accordance with the Internal Revenue Code and any applicable state income tax laws and shall not be taxable as contributions in aid of construction or otherwise under the Internal Revenue Code and any applicable state income tax laws, including any applicable laws for Joint Participants which are municipal entities.

6.2. Representations and Covenants.

In accordance with IRS Notice 2016-36, Interconnection Customer represents and covenants that (i) ownership of the electricity generated at the Generating Facility will pass to another party prior to the transmission of the electricity on the JPP, (ii) for income tax purposes, the amount of any
payments and the cost of any property transferred to Joint Participants for JPP Interconnection Facilities will be capitalized by Interconnection Customer as an intangible asset and recovered using the straight-line method over a useful life of twenty (20) years, and (iii) any portion of JPP Interconnection Facilities that is a “dual-use intertie,” within the meaning of IRS Notice 2016-36, is reasonably expected to carry only a de minimis amount of electricity in the direction of the Generating Facility. For this purpose, “de minimis amount” means no more than five (5) percent of the total power flows in both directions, calculated in accordance with the “5 percent test” set forth in IRS Notice 2016-36. This is not intended to be an exclusive list of the relevant conditions that must be met to conform to IRS requirements for non-taxable treatment.

At Operating Agent’s request, Interconnection Customer shall provide Operating Agent with a report from an independent engineer confirming its representation in clause (iii), above. Each Joint Participant represents and covenants that the cost of JPP Interconnection Facilities paid for by Interconnection Customer will have no net effect on the base upon which rates are determined.

6.3. Indemnification for the Cost Consequences of Current Tax Liability Imposed Upon the Joint Participants.

Notwithstanding Article 6.1, Interconnection Customer shall protect, indemnify and hold harmless Joint Participants from the cost consequences of any current tax liability imposed against Joint Participants as the result of payments or property transfers made by Interconnection Customer to Joint Participants under this Agreement for Interconnection Facilities, as well as any interest and penalties, other than interest and penalties attributable to any delay caused by Operating Agent and Joint Participants.

Operating Agent shall not include a gross-up for the cost consequences of any current tax liability in the amounts it charges Interconnection Customer under this GIA unless (i) Joint Participants have determined, in good faith, that the payments or property transfers made by Interconnection Customer to Joint Participants should be reported as income subject to taxation or (ii) any Governmental Authority directs Joint Participants to report payments or property as income subject to taxation including State and local taxes; provided, however, that Operating Agent may require Interconnection Customer to provide security for Interconnection Facilities, in a form reasonably acceptable to the Operating Agent (such as a parental guarantee or a letter of credit), in an amount equal to the cost consequences of any current tax liability under this Article 6. Interconnection Customer shall reimburse for such costs on a fully grossed-up basis, in accordance with Article 6.4 herein, within thirty (30) Calendar Days of receiving written notification from Operating Agent of the amount due, including detail about how the amount was calculated.

The indemnification obligation shall terminate at the earlier of (1) the expiration of the ten year testing period and the applicable statute of limitation, as it may be extended by Operating Agent upon request of the IRS, to keep these years open for audit or adjustment, or (2) the occurrence of a subsequent taxable event and the payment of any related indemnification obligations as contemplated by this Article 6.

6.4. Tax Gross-Up Amount.

Interconnection Customer’s liability for the cost consequences of any current tax liability under this Article 6 shall be calculated on a fully grossed-up basis. Except as may otherwise be agreed to by the parties, this means that Interconnection Customer will pay Operating Agent, in addition to the amount paid for the Interconnection Facilities and Network Upgrade(s), an amount equal to (1) the current taxes imposed on any Joint Participant (Current Taxes) on the excess of (a) the
gross income realized by any such Joint Participant as a result of payments or property transfers made by Interconnection Customer under this Agreement (without regard to any payments under this Article 6) (the Gross Income Amount) over (b) the present value of future tax deductions for depreciation that will be available as a result of such payments or property transfers (the Present Value Depreciation Amount), plus (2) an additional amount sufficient to permit Joint Participant(s) to receive and retain, after the payment of all Current Taxes, an amount equal to the net amount described in clause (1). Any such payments received by Operating Agent shall be distributed to the affected Joint Participant(s).

For this purpose, for each Joint Participant (i) Current Taxes shall be computed as to the Joint Participant’s share of payments or property transfers received based on Joint Participant’s composite federal and state tax rates at the time the payments or property transfers are received and any such Joint Participant will be treated as being subject to tax at the highest marginal rates in effect at that time (the Current Tax Rate), and (ii) the Present Value Depreciation Amount shall be computed by discounting Joint Participant(s) anticipated tax depreciation deductions as a result of such payments or property transfers by such Joint Participant’s current weighted average cost of capital. Thus, the formula for calculating Interconnection Customer’s liability to Operating Agent and/or each affected Joint Participant pursuant to this Article 6 can be expressed as follows: (Current Tax Rate x (Gross Income Amount – Present Value of Tax Depreciation))/(1-Current Tax Rate). Interconnection Customer’s estimated tax liability in the event taxes are imposed shall be stated in Appendix A to this Agreement.

6.5. Private Letter Ruling or Change or Clarification of Law.

At Interconnection Customer’s request and expense, any, or all of the Joint Participant(s) shall file with the IRS a request for a private letter ruling as to whether any property transferred or sums paid, or to be paid, by Interconnection Customer to Joint Participant(s) under this Agreement are subject to federal income taxation. Interconnection Customer will prepare the initial draft of the request for a private letter ruling, and will certify under penalties of perjury that all facts represented in such request are true and accurate to the best of Interconnection Customer’s knowledge. Joint Participant(s) and Interconnection Customer shall cooperate in good faith with respect to the submission of such request.

The affected Joint Participant(s) shall keep Interconnection Customer fully informed of the status of such request for a private letter ruling and shall execute either a privacy act waiver or a limited power of attorney, in a form acceptable to the IRS, that authorizes Interconnection Customer to participate in all discussions with the IRS regarding such request for a private letter ruling. The Joint Participant(s) shall allow Interconnection Customer to attend all meetings with IRS officials about the request and shall permit Interconnection Customer to prepare the initial drafts of any follow-up letters in connection with the request.

6.6. Subsequent Taxable Events.

If, within ten (10) years from the date on which the relevant JPP Interconnection Facilities are placed in service, (i) Interconnection Customer Breaches the covenants contained in Article 6.2 herein, (ii) a “disqualification event” occurs within the meaning of IRS Notice 2016-36, or (iii) this Agreement terminates and Joint Participants retain ownership of the Interconnection Facilities and Network Upgrade(s), Interconnection Customer shall pay a tax gross-up for the cost consequences of any current tax liability imposed on any Joint Participant, calculated using the methodology described in Article 6.4 herein and in accordance with IRS Notice 2016-36.
6.7. Contests.

In the event any Governmental Authority determines that any Joint Participant’s receipt of payments or property constitues income that is subject to taxation, Operating Agent, upon notification from such Joint Participant(s), shall notify Interconnection Customer, in writing, within thirty (30) Calendar Days of receiving notification of such determination by a Governmental Authority. Upon the timely written request by Interconnection Customer and at Interconnection Customer’s sole expense, Operating Agent or affected Joint Participant(s), as permissible, may appeal, protest, seek abatement of, or otherwise oppose such determination. Upon Interconnection Customer’s written request and sole expense, Operating Agent or applicable Joint Participant, as permissible, may file a claim for refund with respect to any taxes paid under this Article 6, whether or not it has received such a determination. The affected Joint Participant(s) reserves the right to make all decisions with regard to the prosecution of such appeal, protest, abatement or other contest, including the selection of counsel and compromise or settlement of the claim, but such Joint Participant(s) through Operating Agent shall keep Interconnection Customer informed, shall consider in good faith suggestions from Interconnection Customer about the conduct of the contest, and shall reasonably permit Interconnection Customer or an Interconnection Customer representative to attend contest proceedings.

Interconnection Customer shall pay to Operating Agent on a periodic basis, as invoiced by Operating Agent, the affected Joint Participant’s documented reasonable costs of prosecuting such appeal, protest, abatement or other contest. At any time during the contest, the affected Joint Participant(s) may agree to a settlement either with Interconnection Customer’s consent or after obtaining written advice from nationally-recognized tax counsel, selected by the affected Joint Participant(s), but reasonably acceptable to Interconnection Customer, that the proposed settlement represents a reasonable settlement given the hazards of litigation. Interconnection Customer’s obligation shall be based on the amount of the settlement agreed to by Interconnection Customer, or if a higher amount, so much of the settlement that is supported by the written advice from nationally-recognized tax counsel selected under the terms of the preceding sentence. The settlement amount shall be calculated on a fully grossed-up basis to cover any related cost consequences of the current tax liability. Any settlement without Interconnection Customer’s consent or such written advice will relieve Interconnection Customer from any obligation to indemnify Joint Participant(s) for the tax at issue in the contest.


In the event that (a) a private letter ruling is issued to the affected Joint Participant(s) which holds that any amount paid or the value of any property transferred by Interconnection Customer to the affected Joint Participant(s) under the terms of this Agreement is not subject to federal income taxation, (b) any legislative change or administrative announcement, notice, ruling or other determination makes it reasonably clear to Joint Participant(s) in good faith that any amount paid or the value of any property transferred by Interconnection Customer to the affected Joint Participant(s) under the terms of this Agreement is not taxable to the affected Joint Participant(s), (c) any abatement, appeal, protest, or other contest results in a determination that any payments or transfers made by Interconnection Customer to the affected Joint Participant are not subject to federal income tax, or (d) if the affected Joint Participant(s) receives a refund from any taxing authority for any overpayment of tax attributable to any payment or property transfer made by Interconnection Customer to JPP pursuant to this Agreement, the Joint Participant(s) through Operating Agent shall promptly refund to Interconnection Customer the following:
(i) any payment made by Interconnection Customer under this Article 6 for taxes that is attributable to the amount determined to be non-taxable, together with interest thereon;

(ii) interest on any amounts paid by Interconnection Customer to the affected Joint Participant(s) for such taxes which such Joint Participant did not submit to the taxing authority, calculated in accordance with the methodology set forth in FERC's regulations at 18 C.F.R. § 35.19a(a)(2)(iii) from the date payment was made by Interconnection Customer to the date such Joint Participant through Operating Agent refunds such payment to Interconnection Customer; and

(iii) with respect to any such taxes paid by Joint Participant(s), any refund or credit the affected Joint Participant(s) receives or to which it may be entitled from any Governmental Authority, interest (or that portion thereof attributable to the payment described in clause (i), above) owed to Joint Participant(s) for such overpayment of taxes (including any reduction in interest otherwise payable by such Joint Participant to any Governmental Authority resulting from an offset or credit); provided, however, that Joint Participant(s) will remit such amount promptly to Interconnection Customer, through Operating Agent only after and to the extent that such Joint Participant(s) has received a tax refund, credit or offset from any Governmental Authority for any applicable overpayment of income tax related to JPP Interconnection Facilities.

The intent of this provision is to leave the Parties, to the extent practicable, in the event that no taxes are due with respect to any payment for Interconnection Facilities and Network Upgrades hereunder, in the same position they would have been in had no such tax payments been made.

6.9. **Taxes Other Than Income Taxes.**

Upon the timely request by Interconnection Customer, and at Interconnection Customer’s sole expense, Joint Participant(s) may appeal, protest, seek abatement of, or otherwise contest any tax (other than federal or state income tax) asserted or assessed against such Joint Participant for which Interconnection Customer may be required to reimburse under the terms of this Agreement. Interconnection Customer shall pay to Joint Participant(s), through Operating Agent, on a periodic basis, as invoiced by Operating Agent or affected Joint Participant(s), Joint Participant’s documented reasonable costs of prosecuting such appeal, protest, abatement, or other contest. Interconnection Customer and Joint Participant(s) shall cooperate in good faith with respect to any such contest. Unless the payment of such taxes is a prerequisite to an appeal or abatement or cannot be deferred, no amount shall be payable by Interconnection Customer to JPP for such taxes until they are assessed by a final, non-appealable order by any court or agency of competent jurisdiction. In the event that a tax payment is withheld and ultimately due and payable after appeal, Interconnection Customer will be responsible for all taxes, interest and penalties, other than penalties attributable to any delay caused by Joint Participant(s).

6.10. **Tax Status.**

Each Party shall cooperate with the other to maintain the other Party’s tax status. Nothing in this A is intended to adversely affect any Joint Participant’s tax exempt status with respect to the issuance of bonds including, but not limited to, Local Furnishing Bonds. As used in this Agreement, the term “local furnishing bonds” refers to tax-exempt bonds used to finance facilities for the local furnishing of electric energy, as described in Section 142(f) of the Internal Revenue Code of 1986, as amended, or corresponding provisions of predecessor statutes.
Article 7. Modification of Facilities.

7.1. General.

Either Party may undertake modifications to its facilities. If a Party plans to undertake a modification that reasonably may be expected to affect the other Party’s facilities, that Party shall provide to the other Party sufficient information regarding such modification so that the other Party may evaluate the potential impact of such modification prior to commencement of the work. If Interconnection Customer plans to undertake a modification that reasonably may be expected to affect the JPP, Interconnection Customer shall provide to Operating Agent sufficient information regarding such modification so that Operating Agent may evaluate the potential impact of such modification prior to commencement of the work. Such information shall be deemed to be confidential hereunder and shall include information concerning the timing of such modifications and whether such modifications are expected to interrupt the flow of electricity from the Generating Facility. The Party desiring to perform such work shall provide the relevant drawings, plans, and specifications to the other Party at least ninety (90) Calendar Days in advance of the commencement of the work or such shorter period upon which the Parties may agree, which agreement shall not unreasonably be withheld, conditioned or delayed.

In the case of a proposed Generating Facility Modification to an Existing Generating Facility that is not a Material Modification and does not require Interconnection Customer to submit an Interconnection Request, Operating Agent shall provide, within thirty (30) Calendar Days (or such other time as the Parties may agree), an estimate of any additional modifications to the JPP, JPP Interconnection Facilities or Network Upgrade(s) necessitated by such Interconnection Customer modification and a good faith estimate of the costs thereof.

7.2. Standards.

Any additions, modifications, or replacements made to a Party’s facilities shall be designed, constructed and operated in accordance with this Agreement and Good Utility Practice.

7.3. Modification Costs.

Interconnection Customer shall not be directly assigned for the costs of any additions, modifications, or replacements that Joint Participants makes to JPP Interconnection Facilities or the JPP to facilitate the interconnection of a third party to JPP Interconnection Facilities or the JPP. Interconnection Customer shall be responsible for the costs of any additions, modifications, or replacements to Interconnection Customer’s Interconnection Facilities that may be necessary to maintain or upgrade such Interconnection Customer’s Interconnection Facilities consistent with Applicable Laws and Regulations, Applicable Reliability Standards or Good Utility Practice.

Article 8. Testing and Inspection.

8.1. Testing and Modifications Prior to In-Service Date.

Prior to the In-Service Date, Operating Agent shall test JPP Interconnection Facilities and Network Upgrade(s) and Interconnection Customer shall test the Generating Facility and Interconnection Customer’s Interconnection Facilities to ensure their safe and reliable operation. Each Party shall make any modifications to its facilities that are found to be necessary as a result of such testing. Interconnection Customer shall bear the cost of all such testing and modifications. Interconnection
Customer shall generate test energy at the Generating Facility only if it has arranged for the delivery of such test energy.

8.2. Testing and Modifications Post Commercial Operation Date.

Each Party shall at its own expense perform routine inspection and testing of its facilities and equipment in accordance with Good Utility Practice as may be necessary to ensure the continued interconnection of the Generating Facility with the JPP in a safe and reliable manner. Each Party shall have the right, upon advance written notice, to require reasonable additional testing of the other Party’s facilities, at the requesting Party’s expense, as may be in accordance with Good Utility Practice.

8.3. Right to Observe Testing.

Each Party shall notify the other Party in advance of its performance of tests of its Interconnection Facilities. The other Party has the right, at its own expense, to observe such testing.

8.4. Right to Inspect.

Each Party shall have the right, but shall have no obligation to:

(i) observe the other Party’s tests and/or inspection of any of its System Protection Facilities and other protective equipment, including power system stabilizers;

(ii) review the settings of the other Party’s System Protection Facilities and other protective equipment; and

(iii) review the other Party’s maintenance records relative to the Interconnection Facilities, the System Protection Facilities and other protective equipment. A Party may exercise these rights from time to time as it deems necessary upon reasonable notice to the other Party. The exercise or non-exercise by a Party of any such rights shall not be construed as an endorsement or confirmation of any element or condition of the Interconnection Facilities or the System Protection Facilities or other protective equipment or the operation thereof, or as a warranty as to the fitness, safety, desirability, or reliability of same. Any information that a Party obtains through the exercise of any of its rights under this Article 8.4 shall be deemed to be Confidential Information and treated pursuant to Article 24 of this Agreement.

Article 9. Metering.


Each Party shall comply with the Applicable Laws and Regulations and Applicable Reliability Standards. Unless otherwise agreed by the Parties, Operating Agent shall install Metering Equipment at the Point of Interconnection prior to any operation of the Generating Facility and shall own, operate, test and maintain such Metering Equipment. Power flows to and from the Generating Facility shall be measured at or, at Operating Agent’s option, compensated to, the Point of Interconnection. Operating Agent shall provide metering quantities, in analog and/or digital form, to Interconnection Customer upon request. Interconnection Customer shall bear all reasonable documented costs associated with the purchase, installation, operation, testing and maintenance of the Metering Equipment.
9.2. Check Meters.

Interconnection Customer, at its option and expense, may install and operate, on its premises and on its side of the Point of Interconnection, one or more check meters to check meters installed by Operating Agent. Such check meters shall be for check purposes only and shall not be used for the measurement of power flows for purposes of this Agreement, except as provided in Article 9.4 herein. The check meters shall be subject at all reasonable times to inspection and examination by Operating Agent or its designee. The installation, operation and maintenance thereof shall be performed entirely by Interconnection Customer in accordance with Good Utility Practice.

9.3. Standards.

Operating Agent shall install, calibrate, and test revenue quality Metering Equipment in accordance with applicable ANSI standards.

9.4. Testing of Metering Equipment.

Operating Agent shall inspect and test all Joint Participant-owned Metering Equipment upon installation and at least once every two (2) years thereafter. If requested to do so by Interconnection Customer, Operating Agent shall, at Interconnection Customer’s expense, inspect or test Metering Equipment more frequently than every two (2) years. Operating Agent shall give reasonable notice of the time when any inspection or test shall take place, and Interconnection Customer may have representatives present at the test or inspection. If at any time Metering Equipment is found to be inaccurate or defective, it shall be adjusted, repaired or replaced at Interconnection Customer’s expense, in order to provide accurate metering, unless the inaccuracy or defect is due to Operating Agent’s failure to maintain, then Joint Participants shall pay. If Metering Equipment fails to register, or if the measurement made by Metering Equipment during a test varies by more than two percent (2%) from the measurement made by the standard meter used in the test, Operating Agent shall adjust the measurements by correcting all measurements for the period during which Metering Equipment was in error by using Interconnection Customer’s check meters, if installed. If no such check meters are installed or if the period cannot be reasonably ascertained, the adjustment shall be for the period immediately preceding the test of the Metering Equipment equal to one-half the time from the date of the last previous test of the Metering Equipment.

9.5. Metering Data.

At Interconnection Customer’s expense, the metered data shall be telemetered to one or more locations designated by Operating Agent and one or more locations designated by Interconnection Customer. Such telemetered data shall be used, under normal operating conditions, as the official measurement of the amount of energy delivered from the Generating Facility to the Point of Interconnection.

Article 10. Communications.

10.1. Interconnection Customer Obligations.

Interconnection Customer shall maintain satisfactory operating communications with Operating Agent’s transmission system dispatcher or representative designated by Operating Agent. Interconnection Customer shall provide standard voice line, dedicated voice line and facsimile
communications at its Generating Facility control room or central dispatch facility through use of either the public telephone system, or a voice communications system that does not rely on the public telephone system. Interconnection Customer shall also provide the dedicated data circuit(s) necessary to provide Interconnection Customer data to Operating Agent as set forth in Appendix D to this Agreement. The data circuit(s) shall extend from the Generating Facility to the location(s) specified by Operating Agent. Any required maintenance of such communications equipment shall be performed by Interconnection Customer. Operational communications shall be activated and maintained under, but not be limited to, the following events: system paralleling or separation, scheduled and unscheduled shutdowns, equipment clearances, and hourly and daily load data.

10.2. Remote Terminal Unit.

Prior to the In-Service Date of the Generating Facility, a Remote Terminal Unit, or equivalent data collection and transfer equipment acceptable to the Parties, shall be installed by Interconnection Customer, or by Operating Agent at Interconnection Customer’s expense, to gather accumulated and instantaneous data to be telemetered to the location(s) designated by Operating Agent through use of a dedicated point-to-point data circuit(s) as indicated in Article 10.1 herein. The communication protocol for the data circuit(s) shall be specified by Operating Agent. Instantaneous bi-directional analog real power and reactive power flow information must be telemetered directly to the location(s) specified by Operating Agent.

10.3. No Annexation.

Any and all equipment placed on the premises of a Party shall be and remain the property of the Party providing such equipment regardless of the mode and manner of annexation or attachment to real property, unless otherwise mutually agreed by the Parties.

10.4. Provision of Data from a Variable Energy Resource.

The Interconnection Customer with a Variable Energy Resource Generating Facility shall provide meteorological and forced outage data as required by Operating Agent for power production forecasts. The Interconnection Customer with a Variable Energy Resource having wind as the energy source, at a minimum, will be required to provide to Operating Agent site-specific meteorological data including: temperature, wind speed, wind direction, and atmospheric pressure. The Interconnection Customer with a Variable Energy Resource having solar as the energy source, at a minimum, will be required to provide to Operating Agent site-specific meteorological data including: temperature, atmospheric pressure, and irradiance. The exact specifications of the meteorological and forced outage data to be provided by the Interconnection Customer to Operating Agent, including the frequency and timing of data submittals, shall be made taking into account the size and configuration of the Variable Energy Resource, its characteristics, location, and its importance in maintaining generation resource adequacy and transmission system reliability in its area. All requirements for meteorological and forced outage data must be commensurate with the power production forecasting employed by the Operating Agent. Such requirements for meteorological and forced outage data are set forth in Appendix C to this Agreement, as they may change from time to time.


Each Party shall comply with Applicable Reliability Standards. Each Party shall provide to the other Party all information that may reasonably be required by the other Party to comply with Applicable Laws and Regulations and Applicable Reliability Standards.

11.2. Balancing Authority Area Notification.

At least one hundred twenty (120) Calendar Days before In-Service Date, Interconnection Customer shall notify Operating Agent in writing of the Balancing Authority Area in which the Generating Facility will be located. All necessary arrangements, including but not limited to those set forth in Articles 9 and 10 of this Agreement, and Balancing Authority Area generator interchange agreements, if applicable, and the appropriate measures under such agreements, shall be executed and implemented prior to the placement of the Generating Facility in the Balancing Authority Area.

11.3. Operating Agent Obligations.

Operating Agent shall cause the JPP Interconnection Facilities to be operated, maintained and controlled in a safe and reliable manner and in accordance with this Agreement. Operating Agent may provide operating instructions to Interconnection Customer consistent with this Agreement and Operating Agent's operating protocols and procedures as they may change from time to time. Operating Agent will consider changes to its operating protocols and procedures proposed by Interconnection Customer.

11.4. Interconnection Customer Obligations.

Interconnection Customer shall at its own expense operate, maintain and control the Generating Facility and Interconnection Customer’s Interconnection Facilities in a safe and reliable manner and in accordance with this Agreement. Interconnection Customer shall operate the Generating Facility and Interconnection Customer’s Interconnection Facilities in accordance with all applicable requirements of the Balancing Authority Area of which it is part, as such requirements are set forth in Appendix C to this Agreement. Appendix C will be modified to reflect changes to the requirements as they may change from time to time. Either Party may request that the other Party provide copies of the requirements set forth in Appendix C to this Agreement. If the output of the Generating Facility at the Point of Interconnection exceeds the Maximum Capacity, as specified in Appendix C to this Agreement, Operating Agent, at its sole discretion, shall have the right to disconnect the Generating Facility until Interconnection Customer has demonstrated to Operating Agent’s satisfaction that sufficient controls are in place to limit the output of the Generating Facility at the Point of Interconnection to the Maximum Capacity. Interconnection customer shall be fully responsible for any Adverse System Impact that is attributable to the Generating Facility exceeding the Maximum Capacity at the Point of Interconnection.

11.5. Start-Up and Synchronization.

Consistent with Operating Agent’s acceptable procedures, Interconnection Customer is responsible for the proper synchronization of the Generating Facility to the JPP.
11.6. Reactive Power and Primary Frequency Response.

11.6.1. Power Factor Design Criteria.

11.6.1.1. Synchronous Generation. Interconnection Customer shall design the Generating Facility to maintain a composite power delivery at continuous rated power output at the Point of Interconnection at a power factor within the range of 0.95 leading to 0.95 lagging, unless Operating Agent has established different requirements that apply to all synchronous generators in the Balancing Authority Area on a comparable basis.

11.6.1.2. Non-Synchronous Generation. Interconnection Customer shall design the Generating Facility to maintain a composite power delivery at continuous rated power output at the Point of Interconnection at a power factor within the range of 0.95 leading to 0.95 lagging, unless Operating Agent has established a different power factor range that applies to all non-synchronous generators in the Balancing Authority Area on a comparable basis. This power factor range standard shall be dynamic and can be met using, for example, power electronics designed to supply this level of reactive capability (taking into account any limitations due to voltage level, real power output, etc.) or fixed and switched capacitors, or a combination of the two.

11.6.2. Voltage Schedules.

Once Interconnection Customer has synchronized the Generating Facility with the JPP, Operating Agent shall require Interconnection Customer to operate the Generating Facility to produce or absorb reactive power within the design limitations of the Generating Facility set forth in Article 11.6.1. Operating Agent’s voltage schedules shall treat all sources of reactive power in the Balancing Authority Area in an equitable and not unduly discriminatory manner. Operating Agent shall exercise Reasonable Efforts to provide Interconnection Customer with such schedules at least one (1) day in advance, and may make changes to such schedules as necessary to maintain the reliability of the JPP. Interconnection Customer shall operate the Generating Facility to maintain the specified output voltage or power factor at the Point of Interconnection within the design limitations of the Generating Facility set forth in Article 11.6.1. If Interconnection Customer is unable to maintain the specified voltage or power factor, it shall promptly notify the Operating Agent’s system operator or its designated representative.

11.6.2.1. Voltage Regulators. Whenever the Generating Facility is operated in parallel with the JPP and voltage regulators are capable of operation, Interconnection Customer shall operate the Generating Facility with its voltage regulators in automatic operation. If the Generating Facility’s voltage regulators are not capable of such automatic operation, Interconnection Customer shall immediately notify Operating Agent’s system operator, or its designated representative, and ensure that such Generating Facility’s reactive power production or absorption (measured in MVARs) are within the design capability of the Generating Facility’s generating unit(s) and steady state stability limits. Interconnection Customer shall not cause its Generating Facility to disconnect automatically or instantaneously from the JPP or trip any generating unit comprising the Generating Facility for an under or over frequency condition unless
the abnormal frequency condition persists for a time period beyond the limits set forth in ANSI/IEEE Standard C37.106, or such other standard as applied to other generators interconnected in the Balancing Authority Area on a comparable basis.

11.6.3. Payment for Reactive Power.

Operating Agent is required to pay Interconnection Customer for reactive power that Interconnection Customer provides or absorbs from the Generating Facility only in those instances when Operating Agent requests Interconnection Customer to operate its Generating Facility outside the agreed upon range specified in Article 11.6.1 of this Agreement, provided that Operating Agent pays its own or affiliated generators for reactive power service within the specified range, it must also pay Interconnection Customer. Payments shall be pursuant to Article 11.6 herein or such other agreement to which the Parties have otherwise agreed.

11.6.4. Primary Frequency Response.

Interconnection Customer shall ensure the primary frequency response capability of its Generating Facility by installing, maintaining, and operating a functioning governor or equivalent controls. The term “functioning governor or equivalent controls” as used herein shall mean the required hardware and/or software that provides frequency responsive real power control with the ability to sense changes in system frequency and autonomously adjust the Generating Facility’s real power output in accordance with the droop and deadband parameters and in the direction needed to correct frequency deviations. Interconnection Customer is required to install a governor or equivalent controls with the capability of operating: (1) with a maximum five percent (5%) droop and ±0.036 Hz deadband; or (2) in accordance with the relevant droop, deadband, and timely and sustained response settings from an approved NERC Reliability Standard providing for equivalent or more stringent parameters. The droop characteristic shall be: (1) based on the nameplate capacity of the Generating Facility, and shall be linear in the range of frequencies between 59 to 61 Hz that are outside of the deadband parameter; (2) based on an approved NERC Reliability Standard providing for an equivalent or more stringent parameter. The deadband parameter shall be: the range of frequencies above and below nominal (60 Hz) in which the governor or equivalent controls is not expected to adjust the Generating Facility’s real power output in response to frequency deviations. The deadband shall be implemented: (1) without a step to the droop curve, that is, once the frequency deviation exceeds the deadband parameter, the expected Generating Facility’s real power output in response to frequency deviations shall start from zero and then increase (for under-frequency deviations) or decrease (for over-frequency deviations) linearly in proportion to the magnitude of the frequency deviation; or (2) in accordance with an approved NERC Reliability Standard providing for an equivalent or more stringent parameter. Interconnection Customer shall notify Operating Agent that the primary frequency response capability of the Generating Facility has been tested and confirmed during commissioning. Once Interconnection Customer has synchronized the Generating Facility with the JPP, Interconnection Customer shall operate the Generating Facility consistent with the provisions specified in Sections 11.6.4.1 and 11.6.4.2 of this Agreement. The primary frequency response
requirements contained herein shall apply to both synchronous and non-synchronous Generating Facilities.

11.6.4.1. Governor or Equivalent Controls. Whenever the Generating Facility is operated in parallel with the JPP, Interconnection Customer shall: (1) in coordination with Operating Agent and/or the relevant balancing authority, set the deadband parameter to: (1) a maximum of ±0.036 Hz and set the droop parameter to a maximum of five percent (5%); or (2) implement the relevant droop and deadband settings from an approved NERC Reliability Standard that provides for equivalent or more stringent parameters. Interconnection Customer shall be required to provide the status and settings of the governor or equivalent controls to Operating Agent and/or the relevant Balancing Authority upon request. If Interconnection Customer needs to operate the Generating Facility with its governor or equivalent controls not in service, Interconnection Customer shall immediately notify Operating Agent and the relevant Balancing Authority, and provide both with the following information: (1) the operating status of the governor or equivalent controls (i.e., whether it is currently out of service or when it will be taken out of service); (2) the reasons for removing the governor or equivalent controls from service; and (3) a reasonable estimate of when the governor or equivalent controls will be returned to service. Interconnection Customer shall make Reasonable Efforts to return its governor or equivalent controls into service as soon as practicable. Interconnection Customer shall make Reasonable Efforts to keep outages of the Generating Facility’s governor or equivalent controls to a minimum whenever the Generating Facility is operated in parallel with the JPP.

11.6.4.2. Timely and Sustained Response. Interconnection Customer shall ensure that the Generating Facility’s real power response to sustained frequency deviations outside of the deadband setting is automatically provided and shall begin immediately after frequency deviates outside of the deadband, and to the extent the Generating Facility has operating capability in the direction needed to correct the frequency deviation. Interconnection Customer shall not block or otherwise inhibit the ability of the governor or equivalent controls to respond and shall ensure that the response is not inhibited, except under certain operational constraints including, but not limited to, ambient temperature limitations, physical energy limitations, outages of mechanical equipment, or regulatory requirements. The Generating Facility shall sustain the real power response at least until system frequency returns to a value within the deadband setting of the governor or equivalent controls. A FERC-approved Reliability Standard with equivalent or more stringent requirements shall supersede the above requirements.

11.6.4.3. Exemptions. Generating Facilities that are regulated by the United States Nuclear Regulatory Commission shall be exempt from Articles 11.6.4, 11.6.4.1, and 11.6.4.2 of this Agreement. Generating Facilities that are behind the meter generation that is sized-to-load (i.e., the thermal load and the generation are near-balanced in real-time operation and the generation is primarily controlled to maintain the unique thermal, chemical, or mechanical output necessary for the operating requirements of its host facility) shall be required to install primary frequency response capability in accordance with the droop and deadband capability requirements specified in Article 11.6.4 herein, but shall be otherwise
exempt from the operating requirements in Articles 11.6.4, 11.6.4.1, 11.6.4.2, and 11.6.4.4 herein.

11.6.4.4. **Electric Storage Resources.** Interconnection Customer interconnecting an Electric Storage Resource shall establish an operating range in Appendix C to this Agreement that specifies a minimum state of charge and a maximum state of charge between which the electric storage resource will be required to provide primary frequency response consistent with the conditions set forth in Articles 11.6.4, 11.6.4.1, 11.6.4.2 and 11.6.4.3 herein. Appendix C shall specify whether the operating range is static or dynamic, and shall consider (1) the expected magnitude of frequency deviations in the interconnection; (2) the expected duration that system frequency will remain outside of the deadband parameter in the interconnection; (3) the expected incidence of frequency deviations outside of the deadband parameter in the interconnection; (4) the physical capabilities of the electric storage resource; (5) operational imitations of the electric storage resource due to manufacturer specifications; and (6) any other relevant factors agreed to by Operating Agent and Interconnection Customer, and in consultation with the relevant transmission owner or Balancing Authority as appropriate. If the operating range is dynamic, then Appendix C to this Agreement must establish how frequently the operating range will be reevaluated and the factors that may be considered during its reevaluation.

Interconnection Customer’s Electric Storage Resource is required to provide timely and sustained primary frequency response consistent with Article 11.6.4.2 herein when it is online and dispatched to inject electricity to the JPP and/or receive electricity from the JPP. This excludes circumstances when the electric storage resource is not dispatched to inject electricity from the JPP. If Interconnection Customer’s Electric Storage Resource is charging at the time of a frequency deviation outside of its deadband parameter, it is to increase (for over-frequency deviations) or decrease (for under-frequency deviations) the rate at which it is charging in accordance with its droop parameter. Interconnection Customer’s Electric Storage Resource is not required to change from charging to discharging, or vice versa, unless the response necessitated by the droop and deadband settings requires it to do so and it is technically capable of making such a transition.

11.7. **Outages and Interruptions.**

11.7.1. **Outages.**

11.7.1.1. **Outage Authority and Coordination.** Each Party may in accordance with Good Utility Practice in coordination with the other Party remove from service any of its respective Interconnection Facilities or Network Upgrade(s) that may impact the other Party’s facilities as necessary to perform maintenance or testing or to install or replace equipment. Absent an Emergency Condition, the Party scheduling a removal of such facility(ies) from service will use Reasonable Efforts to schedule such removal on a date and time mutually acceptable to the Parties. In all circumstances, any Party planning to remove such facility(ies) from service shall use Reasonable Efforts to minimize the effect on the other Party of such removal. Notwithstanding the forgoing, the Operating Agent, in all
circumstances, retains ultimate authority to deny any non-Emergency Condition removal from service.

11.7.1.2. **Outage Schedules.** Operating Agent shall post scheduled outages of its transmission facilities on OASIS. Interconnection Customer shall submit its planned maintenance schedules for the Generating Facility to Operating Agent for a minimum of a rolling twenty-four month period. Interconnection Customer shall update its planned maintenance schedules as necessary. Operating Agent may request Interconnection Customer to reschedule its maintenance as necessary to maintain the reliability of the JPP. Operating Agent shall compensate Interconnection Customer for any additional direct costs that Interconnection Customer incurs as a result of having to reschedule maintenance, including any additional overtime, breaking of maintenance contracts or other costs above and beyond the cost Interconnection Customer would have incurred absent Operating Agent’s request to reschedule maintenance. Interconnection Customer will not be eligible to receive compensation, if during the twelve (12) months prior to the date of the scheduled maintenance, Interconnection Customer had modified its schedule of maintenance activities.

11.7.1.3. **Outage Restoration.** If an outage on a Party’s Interconnection Facilities or Network Upgrade(s) adversely affects the other Party’s operations or facilities, the Party that owns or controls the facility that is out of service shall use Reasonable Efforts to promptly restore such facility(ies) to a normal operating condition consistent with the nature of the outage. The Party that owns or controls the facility that is out of service shall provide the other Party, whose operations or facilities are adversely affected, to the extent such information is known, information on the nature of the Emergency Condition, an estimated time of restoration, and any corrective actions required. Initial verbal notice shall be followed up as soon as practicable with written notice explaining the nature of the outage.

11.7.2. **Interuption of Service.** If required by Good Utility Practice to do so, Operating Agent may require Interconnection Customer to interrupt or reduce deliveries of electricity if such delivery of electricity could adversely affect Operating Agent’s ability to perform such activities as are necessary to safely and reliably operate and maintain the JPP. The following provisions shall apply to any interruption or reduction permitted under this Article 11.7.2:

11.7.2.1. The interruption or reduction shall continue only for so long as reasonably necessary under Good Utility Practice;

11.7.2.2. Any such interruption or reduction shall be made on an equitable, non-discriminatory basis with respect to all generating facilities directly connected to the JPP if doing so will resolve the reasons for any given problem.

11.7.2.3. When the interruption or reduction must be made under circumstances which do not allow for advance notice, Operating Agent shall notify Interconnection Customer by telephone as soon as practicable of the reasons for the curtailment, interruption, or reduction, and, if known, its expected duration.
Telephone notification shall be followed by written notification as soon as practicable.

11.7.2.4. Except during the existence of an Emergency Condition, when the interruption or reduction can be scheduled without advance notice, Operating Agent shall notify Interconnection Customer in advance regarding the timing of such scheduling and further notify Interconnection Customer of the expected duration. Operating Agent shall use Reasonable Efforts to coordinate with Interconnection Customer using Good Utility Practice to schedule the interruption or reduction during periods of least impact to Interconnection Customer and the JPP;

11.7.2.5. The Parties shall cooperate and coordinate with each other to the extent necessary in order to restore the Generating Facility, Interconnection Facilities, and the JPP to their normal operating state, consistent with system conditions and Good Utility Practice.

11.7.3. Under-Frequency and Over-Frequency Conditions.

The JPP is designed to automatically activate a load-shed program as required by the Applicable Reliability Standards in the event of an under-frequency system disturbance. Interconnection Customer shall implement under-frequency and over-frequency relay set points for the Generating Facility as required by the Applicable Reliability Standards to ensure “ride through” capability of the JPP. Generating Facility response to frequency deviations of pre-determined magnitudes, both under-frequency and over-frequency deviations, shall be studied and coordinated with the Operating Agent in accordance with Good Utility Practice. The term “ride through” as used herein shall mean the ability of a Generating Facility to stay connected to and synchronized with the JPP during system disturbances within a range of under-frequency and over-frequency conditions, in accordance with Good Utility Practice.

11.7.4. System Protection and Other Control Requirements.

11.7.4.1. System Protection Facilities. Interconnection Customer shall, at its expense, install, operate and maintain System Protection Facilities as a part of the Generating Facility or Interconnection Customer’s Interconnection Facilities. Operating Agent shall install at Interconnection Customer’s expense any System Protection Facilities that may be required on JPP Interconnection Facilities as a result of the interconnection of the Generating Facility and Interconnection Customer’s Interconnection Facilities.

11.7.4.2. Each Party’s System Protection Facilities shall be designed and coordinated with other systems in accordance with Good Utility Practice.

11.7.4.3. Each Party shall be responsible for protection of its facilities consistent with Good Utility Practice.

11.7.4.4. Each Party’s protective relay design shall incorporate the necessary test switches to perform the tests required in Article 8 of this Agreement. The required test switches will be placed such that they allow operation of lockout relays while preventing breaker failure schemes from operating and causing
unnecessary breaker operations and/or the tripping of Interconnection Customer’s units.

11.7.4.5. Each Party will test, operate, and maintain its respective System Protection Facilities in accordance with Good Utility Practice.

11.7.4.6. Prior to the In-Service Date, and again prior to the Initial Synchronization Date, each Party or its agent shall perform a complete calibration test and functional trip test of its respective System Protection Facilities. At intervals suggested by Good Utility Practice and following any apparent malfunction of the System Protection Facilities, each Party shall perform both calibration and functional trip tests of its respective System Protection Facilities. These tests do not require the tripping of any in-service generation unit. These tests do, however, require that all protective relays and lockout contacts be activated.

11.7.5. Requirements for Protection.

In compliance with Good Utility Practice, Interconnection Customer shall provide, install, own, and maintain relays, circuit breakers and all other devices necessary to remove any fault contribution of the Generating Facility to any short circuit occurring on the JPP not otherwise isolated by the JPP’s equipment, such that the removal of the fault contribution shall be coordinated with the protective requirements of the JPP. Such protective equipment shall include, without limitation, a disconnecting device or switch with load-interrupting capability located between the Generating Facility and the JPP at a site selected upon mutual agreement (not to be unreasonably withheld, conditioned or delayed) of the Parties. Interconnection Customer shall be responsible for protection of the Generating Facility and Interconnection Customer’s other equipment from such conditions as negative sequence currents, over- or under-frequency, sudden load rejection, over- or under-voltage, and generator loss-of-field. Interconnection Customer shall be solely responsible to disconnect the Generating Facility and Interconnection Customer’s other equipment if conditions on the JPP could adversely affect the Generating Facility.

11.7.6. Power Quality.

Neither Party’s facilities shall cause excessive voltage flicker nor introduce excessive distortion to the sinusoidal voltage or current waves as defined by the most current electrical standards and SRP’s Business Practice posted on OASIS.

11.8. Switching and Tagging Rules.

Operating Agent shall provide Interconnection Customer a copy of its switching and tagging rules that are applicable to the activities. Such switching and tagging rules shall be developed on a non-discriminatory basis. The Parties shall comply with applicable switching and tagging rules, as amended from time to time, in obtaining clearances for work or for switching operations on equipment.
11.9. Use of Interconnection Facilities by Third Parties.

11.9.1. Purpose of Interconnection Facilities.

Except as may be required by Applicable Laws and Regulations, or as provided for in applicable JPP participation, ownership or operating agreements among the Joint Participants, or as otherwise agreed to among the Parties herein or hereafter, the Interconnection Facilities shall be constructed for the sole purpose of interconnecting the Generating Facility to the JPP and shall be used for no other purpose.

11.9.2. Third Party Users.

If required by Applicable Laws and Regulations, or if the Parties mutually agree, such agreement not to be unreasonably withheld, to allow one or more third parties to use the JPP Interconnection Facilities, or any part thereof, Interconnection Customer will be entitled to compensation for the capital expenses it incurred in connection with JPP Interconnection Facilities based upon the pro rata use of such JPP Interconnection Facilities by Joint Participants, all third party users, and Interconnection Customer in accordance with the Applicable Laws and Regulations or upon some other mutually-agreed upon methodology.

In addition, cost responsibility for Capital Improvements and ongoing costs, including operation and maintenance costs associated with such JPP Interconnection Facilities will be allocated between Interconnection Customer and any third party users based upon the pro rata use of the Interconnection Facilities by Joint Participants, all third party users, and Interconnection Customer, in accordance with Applicable Laws and Regulations or upon some other mutually agreed upon methodology, and in accordance with Appendix J to this Agreement.

11.10. Disturbance Analysis Data Exchange.

The Parties will cooperate with one another in the analysis of disturbances to either the Generating Facility or JPP by gathering and providing access to any technical information relating to any disturbance, including information from oscillography, protective relay targets, breaker operations and sequence of events records, and any disturbance information required by Good Utility Practice.


12.1. Joint Participants Obligations.

The Operating Agent shall maintain the JPP and JPP Interconnection Facilities in a safe and reliable manner and in accordance with this Agreement.

12.2. Interconnection Customer Obligations.

Interconnection Customer shall maintain the Generating Facility and ICIF in a safe and reliable manner and in accordance with this Agreement.
12.3.  Coordination.

The Parties shall confer regularly to coordinate the planning, scheduling and performance of preventive and corrective maintenance on the Generating Facility and the Interconnection Facilities. The Operating Agent shall be the point of contact for the Joint Participants.


Each Party shall cooperate with the other in the inspection, maintenance, and testing of control or power circuits that operate below 600 volts, AC or DC, including, but not limited to, any hardware, control or protective devices, cables, conductors, electric raceways, secondary equipment panels, transducers, batteries, chargers, and voltage and current transformers that directly affect the operation of a Party’s facilities and equipment which may reasonably be expected to impact the other Party. Each Party shall provide advance notice to the other Party before undertaking any work on such circuits, especially on electrical circuits involving circuit breaker trip and close contacts, current transformers, or potential transformers.

12.5.  Operating and Maintenance Expenses.

Subject to the provisions herein addressing the use of facilities by others, and except for operations and maintenance expenses associated with modifications made for providing interconnection to a third party and such third party pays for such expenses, Interconnection Customer shall be responsible for a pro rata share of all reasonable expenses including overheads, associated with: (1) owning, operating, maintaining, repairing, and replacing Interconnection Customer’s Interconnection Facilities; and (2) operation, maintenance, repair and replacement of JPP Interconnection Facilities and Common Facilities determined by the CRR as set forth in Appendix I to this Agreement. Interconnection Customer shall also be responsible for all costs associated with owning, operating, maintain, repairing, and replacing Interconnection Customer’s Interconnection Facilities. If in the future, a third party, or any Party, is to interconnect to the JPP, the cost responsibilities for operations, maintenance and replacement are to be determined by the number of terminations. Excluded from this methodology is the protection equipment exclusively used by any such new interconnector(s). These costs will be directly assigned to the owner of the interconnection which is being protected.

12.5.1.  Payment for Use of Common Facilities.

If the Interconnection Customer is interconnecting into a pre-existing switchyard/substation, the Interconnection Customer shall make the Common Facilities Use Fee payment to the Operating Agent in accordance with the formula set forth in Appendix H-2 to this Agreement prior to the In-service Date. A similar Common Facilities Use Fee will be assessed to each future interconnection to the switchyard/substation consistent with this Article 12.5 and Interconnection Customer will be reimbursed a pro rata share of those fees utilizing the same methodology as set forth in Appendix J to this Agreement.

12.5.2.  Interconnection Customer Cost Responsibilities.

Subject to the provisions herein addressing the use of facilities by others, and except for operations and maintenance expenses associated with modifications made for providing
interconnection to a third party and such third party pays for such expenses, Interconnection Customer shall be responsible for:

(i) All expenses associated with owning, operating, maintaining, repairing, and replacing Interconnection Customer's Interconnection Facilities;

(ii) The Interconnection Customer Cost Responsibility (CRR) share of all expenses including overheads, associated with insurance costs, operation, maintenance, repair, replacement, enlargement or betterment of any unit of property or equipment pertaining to or associated with the JPP's Common Facilities, JPP Interconnection Facilities, all other interconnection facilities within the substation/switchyard. Such Interconnection Customer's CRR shall be calculated as set forth in Appendix H-2 to this Agreement. Notwithstanding anything to the contrary in the preceding sentence, costs for Capital Improvements to the JPP Interconnection Facilities, which are requested by the Interconnection Customer, shall be the sole responsibility of the Interconnection Customer.

(iii) The CRR shall be recomputed by Operating Agent in accordance with Appendix I to this Agreement to reflect the installation of any additional Connection(s) at the substation/switchyard and shall be effective upon the date of firm operation thereof. Upon completion of such recalculated, Operating Agent shall revise Appendix I to this Agreement to reflect the then current CRRs.

(iv) In accordance with Article 14 herein and the specific payment provisions of each appendix to this Agreement, on or before the In-Service Date, the Interconnection Customer shall make, cause to be made, or provide evidence of payment of the Mitigation Facility Fee in accordance with the formulas set forth in Appendix K to this Agreement to Operating Agent.


13.1. Interconnection Customer's Interconnection Facilities.

Interconnection Customer shall design, procure, construct, install, own and/or control Interconnection Customer's Interconnection Facilities described in Appendix A to this Agreement, at its sole expense.

13.2. JPP Interconnection Facilities.

Joint Participants, through Operating Agent, shall design, procure, construct, install, own and/or control the JPP Interconnection Facilities described in Appendix A to this Agreement, at the sole expense of the Interconnection Customer.
13.3. **Network Upgrade(s) and Distribution Upgrade(s).**

Joint Participants, through Operating Agent, shall design, procure, construct, install, and own the Network Upgrade(s) and Distribution Upgrade(s) described in Appendix A to this Agreement. The Interconnection Customer shall be responsible for all costs related to Network Upgrade(s) and Distribution Upgrade(s).

13.4. **Shared Network Upgrade(s).**

Interconnection Customer shall pay Operating Agent for Shared Network Upgrade(s) identified pursuant to Section 5.3 of the GIP and memorialized in Appendix A of this Agreement. Payments shall be made in accordance with Section 3.5 of the GIP.

Operating Agent subsequently shall disburse the payment for Shared Network Upgrade(s) to appropriate Interconnection Customer(s) from an earlier Cluster(s) with previously assigned costs associated with the Shared Network Upgrade(s) in accordance with Section 5.3 of the GIP. If the Shared Network Upgrade(s) is not in service, Interconnection Customer shall not be required to make a payment under Section 5.3 of the GIP until the Shared Network Upgrade(s) is in service. In the event that Interconnection Customer fails to meet its obligation to fund Shared Network Upgrade(s), Operating Agent shall not be responsible for Interconnection Customer’s funding obligation.

13.5. **Transmission Credits.**

13.5.1. **Repayment of Amounts Advanced for Network Upgrades.**

This section provides for the proportional repayment by any one or more Joint Participants of amounts advanced for Network Upgrade(s) by the Interconnection Customer required under Applicable Laws and Regulations to make such repayments. SRP is not required to make such repayments. Interconnection Customer shall be entitled to a repayment, from any one or more Participants so obligated, equal to the pro rata amount paid to Operating Agent and Affected System Operator, if any, based upon each such Joint Participant’s ownership percentage in the applicable component of the JPP, for the Network Upgrade(s), including any tax gross-up or other tax-related payments associated with Network Upgrade(s), and not refunded to Interconnection Customer pursuant to Article 5.16.8 or otherwise, to be paid to Interconnection Customer on a dollar-for-dollar basis for the non-usage sensitive portion of transmission charges, as payments are made under each such Joint Participant’s open access transmission tariff and any Affected System’s Tariff for transmission services with respect to the Generating Facility. For sake of clarity, the Interconnection Customer will receive refunds from TEP for its proportionate share of such Network Upgrades and will not receive a refund from SRP for its proportionate share of such Network Upgrade(s). Any repayment shall include interest calculated in accordance with the methodology set forth in FERC’s regulations at 18 C.F.R. § 35.19a(a)(2)(iii) from the date of any payment for Network Upgrades through the date on which the Interconnection Customer receives a repayment of such payment pursuant to this subparagraph. Interconnection Customer may assign such repayment rights to any person.

Notwithstanding the foregoing, Interconnection Customer, any Joint Participant, and any Affected System Operator may adopt any alternative payment schedule that is mutually agreeable so long as any such Joint Participant and any Affected System Operator take
one of the following actions no later than five (5) years from the Commercial Operation Date: (1) return to Interconnection Customer any pro rata amounts advanced for Network Upgrade(s) not previously repaid, or (2) declare in writing that the Joint Participant or Affected System Operator so obligated to do so will continue to provide such pro rata payments to Interconnection Customer on a dollar-for-dollar basis for the non-usage sensitive portion of transmission charges, or develop an alternative schedule that is mutually agreeable and provides for the return of all amounts advanced for Network Upgrade(s) not previously repaid; provided, however, full reimbursement shall not extend beyond twenty (20) years from the Commercial Operation Date.

If the Generating Facility fails to achieve Commercial Operation, but it or another Generating Facility is later constructed and makes use of Network Upgrade(s), the Joint Participants and Affected System Operator(s) so obligated to do so shall at that time reimburse Interconnection Customer for the pro rata amounts advanced for Network Upgrade(s). Before any such reimbursement can occur, Interconnection Customer, or the entity that ultimately constructs the Generating Facility, if different, is responsible for identifying the entity to which reimbursement must be made.


Unless Joint Participants provide, under this Agreement, for the pro rata repayment of amounts advanced to an Affected System Operator for Affected System upgrades by any one or more Joint Participants so obligated to do so, Interconnection Customer and the Affected System Operator shall enter into an agreement that provides for such repayment. The agreement shall specify the terms governing payments to be made by Interconnection Customer to the Affected System Operator as well as the repayment by the Affected System Operator.

Notwithstanding any other provision of this Agreement, nothing herein shall be construed as relinquishing or foreclosing any rights, including but not limited to firm transmission rights, capacity rights, transmission congestion rights, or transmission credits, that Interconnection Customer, shall be entitled to, now or in the future under any other agreement or tariff as a result of, or otherwise associated with, the transmission capacity, if any, created by the Network Upgrade(s), including the right to obtain cash reimbursements or transmission credits for transmission service that is not associated with the Generating Facility.


At least thirty (30) Calendar Days prior to the commencement of the procurement, installation, or construction of a discrete portion of a JPP Interconnection Facilities, Network Upgrade(s), or Distribution Upgrade(s), Interconnection Customer shall provide Operating Agent a guarantee, a surety bond, letter of credit or other form of security that is reasonably acceptable to Joint Participants. Such security for payment shall be in an amount sufficient to cover the costs for constructing, procuring and installing the applicable portion of JPP Interconnection Facilities, Network Upgrade(s), or Distribution Upgrade(s) and shall be reduced on a dollar-for-dollar basis for payments made to Joint Participants for these purposes.
In addition:

13.6.1. The guarantee must be made by an entity that meets the creditworthiness requirements of Operating Agent pursuant to the JPP governing agreements or as reasonably determined by the E&O Committee, and contain terms and conditions that guarantee payment of any amount that may be due from Interconnection Customer, up to an agreed-to maximum amount.

13.6.2. The letter of credit must be issued by a financial institution reasonably acceptable to Operating Agent and must specify a reasonable expiration date.

13.6.3. The surety bond must be issued by an insurer reasonably acceptable to Operating Agent and must specify a reasonable expiration date.


If the Joint Participants request or direct Interconnection Customer to provide a service pursuant to Sections 11.6.3 or 15.4.1 of this Agreement, the Joint Participants shall compensate Interconnection Customer in accordance with Interconnection Customer’s applicable rate schedule then in effect. To the extent that no rate schedule is in effect at the time the Interconnection Customer is required to provide or absorb any Reactive Power under this Agreement, the Joint Participants agree to compensate Interconnection Customer in such amount as would have been due Interconnection Customer had the rate schedule been in effect at the time service commenced; provided, however, that such rate schedule must be filed at FERC or other appropriate Governmental Authority within sixty (60) Calendar Days of the commencement of service.

13.7.1. Interconnection Customer Compensation for Actions During Emergency Condition.

The Joint Participants shall compensate Interconnection Customer for its provision of real and reactive power and other Emergency Condition services that Interconnection Customer provides to support the Joint Participants during an Emergency Condition in accordance with Article 15.

13.8. Facility Connection Requirements

All Interconnection Customers are required to follow the requirements of the Facility Connection Requirements Business Practice, posted on OASIS, based upon the type of generation.

13.9. Data Modeling Requirements for Inverter-Based Resources

Operating Agent requires Interconnection Customer with Inverted-Based Resources to submit all modeling data listed in SRP’s Business Practice as posted on OASIS.


Each Party shall submit to the other Party, on a monthly basis, invoices of amounts due for the preceding month. Each invoice shall state the month to which the invoice applies and fully describe the services and equipment provided. The Parties may discharge mutual debts and payment obligations due and owing to each other on the same date through netting, in which case all amounts a Party owes to the other Party under this Agreement, including interest payments or credits, shall be netted so that only the net amount remaining due shall be paid by the owing Party.

14.2. Final Invoice.

Within six months after completion of the construction of JPP Interconnection Facilities and the Network Upgrade(s), Operating Agent shall provide an invoice of the final cost of the construction of JPP Interconnection Facilities and the Network Upgrade(s) and shall set forth such costs in sufficient detail to enable Interconnection Customer to compare the actual costs with the estimates and to ascertain deviations, if any, from the cost estimates. Operating Agent shall refund to Interconnection Customer any amount by which the actual payment by Interconnection Customer for estimated costs exceeds the actual costs of construction within thirty (30) Calendar Days of the issuance of such final construction invoice.

14.3. Payment.

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

14.4. Disputes.

In the event of a billing dispute between Operating Agent and Interconnection Customer, Operating Agent shall continue to provide Interconnection Service under this Agreement as long as Interconnection Customer: (i) continues to make all payments not in dispute; and (ii) pays to Operating Agent or into an independent escrow account the portion of the invoice in dispute, pending resolution of such dispute. If Interconnection Customer fails to meet these two requirements for continuation of service, then Operating Agent may provide notice to Interconnection Customer of a Default pursuant to Article 22. Within thirty (30) Calendar Days after the resolution of the dispute, the Party that owes money to the other Party shall pay the amount due with interest, if applicable and if so, with such interest calculated in accord with the methodology set forth in FERC's regulations at 18 C.F.R. § 35.19a(a)(2)(ii) or other applicable methodology.
Article 15. Emergencies.

15.1. Obligations.

Each Party shall comply with the Emergency Condition procedures of the applicable Independent System Operator (ISO)/Regional Transmission Organization (RTO), if any, NERC, Applicable Reliability Standards, and any additional emergency procedures agreed to by the Joint Operating Committee.

15.2. Notice.

Operating Agent shall notify Interconnection Customer promptly when it becomes aware of an Emergency Condition that affects JPP Interconnection Facilities or the JPP that may reasonably be expected to affect Interconnection Customer’s operation of the Generating Facility or Interconnection Customer’s Interconnection Facilities. Interconnection Customer shall notify Operating Agent promptly when it becomes aware of an Emergency Condition that affects the Generating Facility or Interconnection Customer’s Interconnection Facilities that may reasonably be expected to affect the JPP or JPP Interconnection Facilities. To the extent information is known, the notification shall describe the Emergency Condition, the extent of the damage or deficiency, the expected effect on the operation of Interconnection Customer’s or JPP’s facilities and operations, its anticipated duration and the corrective action taken and/or to be taken. The initial notice shall be followed as soon as practicable with written notice.

15.3. Immediate Action.

Unless, in Interconnection Customer’s reasonable judgment, immediate action is required, Interconnection Customer shall obtain the consent of Operating Agent, such consent to not be unreasonably withheld, prior to performing any manual switching operations at the Generating Facility or Interconnection Customer’s Interconnection Facilities in response to an Emergency Condition either declared by Operating Agent or otherwise regarding the JPP.

15.4. Joint Participants Authority.

15.4.1. General.

Operating Agent may take whatever actions or inactions with regard to the JPP or JPP Interconnection Facilities it deems necessary during an Emergency Condition in order to: (i) preserve public health and safety; (ii) preserve the reliability of the JPP or JPP Interconnection Facilities (iii) limit or prevent damage; and (iv) expedite restoration of service.

Operating Agent shall use Reasonable Efforts to minimize the effect of such actions or inactions on the Generating Facility or Interconnection Customer’s Interconnection Facilities. Operating Agent may, on the basis of technical considerations, require the Generating Facility to mitigate an Emergency Condition by taking actions necessary and limited in scope to remedy the Emergency Condition, including, but not limited to, directing Interconnection Customer to shut-down, start-up, increase or decrease the real or reactive power output of the Generating Facility; implementing a reduction or disconnection pursuant to Article 15.5.2; directing Interconnection Customer to assist with black start (if available) or restoration efforts; or altering the outage schedules of the Generating Facility and Interconnection Customer’s Interconnection Facilities. Interconnection Customer shall
comply with all of Operating Agent’s operating instructions concerning Generating Facility real power and reactive power output within the manufacturer’s design limitations of the Generating Facility’s equipment that is in service and physically available for operation at the time, in compliance with Applicable Laws and Regulations and Applicable Reliability Standards.

15.4.2. Reduction and Disconnection.

Operating Agent may reduce Interconnection Service or disconnect the Generating Facility or Interconnection Customer’s Interconnection Facilities, when such reduction or disconnection is necessary under Good Utility Practice due to Emergency Conditions. These rights are separate and distinct from any right of curtailment of any Joint Participant pursuant to its respective open access transmission tariff. When Operating Agent can schedule the reduction or disconnection in advance, Operating Agent shall notify Interconnection Customer of the reasons, timing and expected duration of the reduction or disconnection. Operating Agent shall coordinate with Interconnection Customer using Good Utility Practice to schedule the reduction or disconnection during periods of least impact to Interconnection Customer and the JPP. Any reduction or disconnection shall continue only for so long as reasonably necessary under Good Utility Practice. The Parties shall cooperate with each other to restore the Generating Facility, the Interconnection Facilities, and the JPP to their normal operating state as soon as practicable consistent with Good Utility Practice.

15.5. Interconnection Customer Authority.

Consistent with Good Utility Practice, Applicable Reliability Standards and this Agreement, Interconnection Customer may take actions or inactions with regard to the Generating Facility or Interconnection Customer’s Interconnection Facilities during an Emergency Condition in order to: (i) preserve public health and safety; (ii) preserve the reliability of the Generating Facility or Interconnection Customer’s Interconnection Facilities; (iii) limit or prevent damage; and (iv) expedite restoration of service. Interconnection Customer shall use Reasonable Efforts to minimize the effect of such actions or inactions on the JPP and JPP Interconnection Facilities.


Except as otherwise provided in Article 13.6.1 of this Agreement, neither Party shall be liable to the other for any action it takes in responding to an Emergency Condition so long as such action is made in good faith and is consistent with Good Utility Practice.


Each Party’s obligations under this Agreement shall be subject to its receipt of any required approval or certificate from one or more Governmental Authorities in the form and substance satisfactory to the applying Party, or the Party making any required filings with, or providing notice to, such Governmental Authorities, and the expiration of any time period associated therewith. Each Party shall in good faith seek and use its Reasonable Efforts to obtain such other approvals. Nothing in this Agreement shall require any Party to take any action that could result in its inability to obtain, or its loss of, status or exemption under the Federal Power Act, the Public Utility Holding Company Act of 1935, as amended, or the Public Utility Regulatory Policies Act of 1978.
16.2. Governing Law.

16.2.1. The validity, interpretation and performance of this Agreement and each of its provisions shall be governed by the laws of the state where the Point of Interconnection is located, without regard to its conflicts of law principles.

16.2.2. This Agreement is subject to all Applicable Laws and Regulations. Each Party expressly reserves the right to seek changes in, appeal, or otherwise contest any laws, orders, rules, or regulations of a Governmental Authority. Nothing in this Agreement shall be meant to imply or cede jurisdiction to FERC or any other regulatory entity, to the extent that FERC or other regulatory entity does not have jurisdiction over a Party to this Agreement. FERC and other regulatory entities have limited jurisdiction over certain Parties and, by executing this Agreement, no Party is waiving or conceding any defenses it has to assert jurisdictional defenses, including, but not limited to, sovereign immunity, intergovernmental immunities, or lack of subject matter jurisdiction.

Article 17. Notices.

17.1. General.

Unless otherwise provided in this Agreement, any notice, demand or request required or permitted to be given by either Party to the other and any instrument required or permitted to be tendered or delivered by either Party in writing to the other shall be effective when delivered and may be so given, tendered or delivered, by recognized national courier, or by depositing the same with the United States Postal Service with postage prepaid, for delivery by certified or registered mail, addressed to the Party, or personally delivered to the Party, at the address set out in Appendix F to this Agreement.

Interconnection Customer and Operating Agent may change the notice information in this Agreement by giving five (5) Business Days written notice prior to the effective date of the change.

17.2. Billings and Payments.

Billings and payments shall be sent to the addresses set out in Appendix F to this Agreement.

17.3. Alternative Forms of Notice.

Any notice or request required or permitted to be given by a Party to the other and not required by this Agreement to be given in writing may be so given by telephone, facsimile or email to the telephone numbers and email addresses set out in Appendix F to this Agreement.

17.4. Operations and Maintenance Notice.

Each Party shall notify the other Party in writing of the identity of the person(s) that it designates as the point(s) of contact with respect to the implementation of Articles 9 and 10.
Article 18.  Force Majeure.

18.1.  Force Majeure.

18.1.1. Economic hardship is not considered a Force Majeure event.

18.1.2. Neither Party shall be considered to be in Default with respect to any obligation hereunder, (including obligations under Article 5), other than the obligation to pay money when due, if prevented from fulfilling such obligation by Force Majeure. A Party unable to fulfill any obligation hereunder (other than an obligation to pay money when due) by reason of Force Majeure shall give notice and the full particulars of such Force Majeure to the other Party in writing or by telephone as soon as reasonably possible after the occurrence of the cause relied upon. Telephone notices given pursuant to this Article shall be confirmed in writing as soon as reasonably possible and shall specifically state full particulars of the Force Majeure, the time and date when the Force Majeure occurred and when the Force Majeure is reasonably expected to cease. The Party affected shall exercise due diligence to remove such disability with reasonable dispatch, but shall not be required to accede or agree to any provision not satisfactory to it in order to settle and terminate a strike or other labor disturbance.


19.1.  Default.


No Default shall exist where such failure to discharge an obligation (other than the payment of money) is the result of Force Majeure as defined in this Agreement or the result of an act of omission of the other Party. Upon a Breach, the non-breaching Party shall give written notice of such Breach to the breaching Party. Except as provided in Article 19.1.2, the breaching Party shall have thirty (30) Calendar Days from receipt of the Default notice within which to cure such Breach; provided however, if such Breach is not capable of cure within thirty (30) Calendar Days, the breaching Party shall commence such cure within thirty (30) Calendar Days after notice and continuously and diligently complete such cure within ninety (90) Calendar Days from receipt of the Default notice; and, if cured within such time, the Breach specified in such notice shall cease to exist.

19.1.2. Right to Terminate.

If a Breach is not cured as provided in this Article, or if a Breach is not capable of being cured within the period provided for herein, the non-breaching Party shall have the right to declare a Default and terminate this Agreement by written notice at any time until cure occurs, and be relieved of any further obligation hereunder and, whether or not that Party terminates this Agreement, to recover from the breaching Party all amounts due hereunder, plus all other damages and remedies to which it is entitled at law or in equity. The provisions of this article will survive termination of this Agreement.
Article 20.  Indemnity, Consequential Damages and Insurance.

20.1.  Indemnity.

Each Party shall at all times indemnify, defend, and hold the other Party (Indemnified Party) harmless from, any and all damages, losses, claims, demand, suits, recoveries, costs and expenses, court costs, attorney fees, and all other obligations by or to third parties, arising out of or resulting from the other Party’s action or inactions of its obligations under this Agreement on behalf of the Indemnifying Party, except in cases of gross negligence or intentional wrongdoing by the indemnified Party.

20.1.1. Indemnified Party.

If an Indemnified Party is entitled to indemnification under this Article 20 as a result of a claim by a third party, and the Indemnifying Party fails, after notice and reasonable opportunity to proceed under Section 20.1, to assume the defense of such claim, such Indemnified Person may at the expense of the Indemnifying Party contest, settle or consent to the entry of any judgment with respect to, or pay in full, such claim.

20.1.2. Indemnifying Party.

If an Indemnifying Party is obligated to indemnify and hold any Indemnified Person harmless under this Article 20, the amount owing to the Indemnified Person shall be the amount of such Indemnified Person’s actual Loss, net of any insurance or other recovery.

20.1.3. Indemnity Procedures.

Promptly after receipt by an Indemnified Person of any claim or notice of the commencement of any action or administrative or legal proceeding or investigation as to which the indemnity provided for in Section 20.1 may apply, the Indemnified Person shall notify the Indemnifying Party of such fact. Any failure of or delay in such notification shall not affect a Party’s indemnification obligation unless such failure or delay is materially prejudicial to the Indemnifying Party.

The Indemnifying Party shall have the right to assume the defense thereof with counsel designated by such Indemnifying Party and reasonably satisfactory to the Indemnified Person. If the defendants in any such action include one or more Indemnified Persons and the Indemnifying Party and if the Indemnified Person reasonably concludes that there may be legal defenses available to it and/or other Indemnified Persons which are different from or additional to those available to the Indemnifying Party, the Indemnified Person shall have the right to select separate counsel to assert such legal defenses and to otherwise participate in the defense of such action on its own behalf. In such instances, the Indemnifying Party shall only be required to pay the fees and expenses of one additional attorney to represent an Indemnified Person or Indemnified Persons having such differing or additional legal defenses.

The Indemnified Person shall be entitled, at its expense, to participate in any such action, suit or proceeding, the defense of which has been assumed by the Indemnifying Party. Notwithstanding the foregoing, the Indemnifying Party (i) shall not be entitled to assume and control the defense of any such action, suit or proceedings if and to the extent that, in the opinion of the Indemnified Person and its counsel, such action, suit or proceeding
involves the potential imposition of criminal liability on the Indemnified Person, or there exists a conflict or adversity of interest between the Indemnified Person and the Indemnifying Party, in such event the Indemnifying Party shall pay the reasonable expenses of the Indemnified Person, and (ii) shall not settle or consent to the entry of any judgment in any action, suit or proceeding without the consent of the Indemnified Person, which shall not be reasonably withheld, conditioned or delayed.

20.2. Consequential Damages.

In no event shall either Party be liable under any provision of this Agreement for any losses, damages, costs or expenses for any special, indirect, incidental, consequential, or punitive damages, including but not limited to loss of profit or revenue, loss of the use of equipment, cost of capital, cost of temporary equipment or services, whether based in whole or in part in contract, in tort, including negligence, strict liability, or any other theory of liability.

20.3. Insurance.

Each of the Operating Agent, on behalf of Joint Participants, and the Interconnection Customer shall, at its own expense, maintain in force throughout the period of this Agreement, and until released by the other Party, the following minimum insurance coverages with insurers authorized to do business in the state where the Point of Interconnection is located:

20.3.1. Employer’s Liability and Workers’ Compensation Insurance providing statutory benefits in accordance with the laws and regulations of the state in which the Point of Interconnection is located.

20.3.2. Commercial General Liability Insurance including premises and operations, personal injury, broad form property damage, broad form blanket contractual liability coverage (including coverage for the contractual indemnification) products and completed operations coverage, coverage for explosion, collapse and underground hazards, independent contractors coverage, coverage for pollution to the extent normally available and punitive damages to the extent normally available and a cross liability endorsement, with minimum limits of One Million Dollars ($1,000,000) per occurrence/One Million Dollars ($1,000,000) aggregate combined single limit for personal injury, bodily injury, including death and property damage.

20.3.3. Comprehensive Automobile Liability Insurance for cover of owned and non-owned and hired vehicles, trailers, or semi-trailers designed for travel on public roads, with a minimum, combined single limit of One Million Dollars ($1,000,000) per occurrence for bodily injury, including death, and property damage.

20.3.4. Excess Liability Insurance over and above the Employers’ Liability, Commercial General Liability and Comprehensive Automobile General Liability coverage, with a minimum combined single limit of Twenty Million Dollars ($20,000,000) per occurrence/Twenty Million Dollars ($20,000,000) aggregate.

20.3.5. The Commercial General Liability Insurance, Comprehensive Automobile Insurance and Excess Liability Insurance policies shall name the other Party, its parent, associated and Affiliate companies and their respective directors, officers, agents, servants and employees (Other Party Group) as additional insured.
policies shall contain provisions whereby insurers waive all rights of subrogation in accordance with the provisions of this Agreement against the Other Party Group.

20.3.6. The Commercial General Liability Insurance, Comprehensive Automobile Insurance and Excess Liability Insurance policies shall contain provisions that specify that the policies are primary and shall apply to such extent without consideration for other policies separately carried and shall state that each insured is provided coverage as though a separate policy had been issued to each, except that insurer's liability shall not be increased beyond the amount for which the insurer would have been liable had only one insured been covered. Each Party shall be responsible for its respective deductibles or retentions.

20.3.7. The Commercial General Liability Insurance, Comprehensive Automobile Insurance and Excess Liability Insurance policies, if written on a Claims First Made Basis, shall be maintained in full force and effect for two (2) years after termination of this Agreement, which coverage may be in the form of tail coverage or extended reporting period coverage if agreed by the Parties.

20.3.8. The requirements contained herein as to the types and limits of all insurance to be maintained by the Parties are not intended to and shall not in any manner, limit or qualify the liabilities and obligations assumed by the Parties under this Agreement.

20.3.9. Within ten (10) days following execution of this Agreement, and as soon as practicable after the end of each fiscal year or at the renewal of the insurance policy and in any event within ninety (90) days thereafter, each Party shall provide certification of all insurance required in this Agreement, executed by each insurer or by an authorized representative of each insurer.

20.3.10. Notwithstanding the foregoing, each Party may self-insure to meet the minimum insurance requirements of Article 20.3.1 through 20.3.8 to the extent it maintains a self-insurance program; provided that, such Party's senior secured debt is rated at investment grade or better by Standard & Poor's and that its self-insurance program meets the minimum insurance requirements of Articles 20.3.1 through 20.3.8. For any period of time that a Party's senior secured debt is unrated by Standard & Poor's or is rated at less than investment grade by Standard & Poor's, such Party shall comply with the insurance requirements applicable to it under Articles 20.3.1 through 20.3.9. In the event that a Party is permitted to self-insure pursuant to this Article, it shall notify the other Party that it meets the requirements to self-insure and that its self-insurance program meets the minimum insurance requirements in a manner consistent with that specified in Article 20.3.9.

The Parties agree to report to each other in writing as soon as practicable all accidents or occurrences resulting in injuries to any person, including death, and any property damage arising out of this Agreement.

Article 21. Assignment.

This Agreement may be assigned by either Party only with the written consent of the other either Party may assign this Agreement without the consent of the other Party to any Affiliate of the assigning Party with an equal or greater credit rating and with the legal authority and operational ability to satisfy the obligations of the assigning Party under this Agreement; and provided further
that Interconnection Customer shall have the right to assign this Agreement, without the consent of Operating Agent, for collateral security purposes to aid in providing financing for the Generating Facility, provided that Interconnection Customer will promptly notify Operating Agent of any such assignment. Any financing arrangement entered into by Interconnection Customer pursuant to this Article will provide that prior to or upon the exercise of the secured party’s, trustee’s or mortgagee’s assignment rights pursuant to said arrangement, the secured creditor, the trustee or mortgagee will notify Operating Agent of the date and particulars of any such exercise of assignment right(s), including providing Operating Agent with proof that it meets the requirements of Articles 13.6 and 20.3. Any attempted assignment that violates this Article is void and ineffective. Any assignment under this Agreement shall not relieve a Party of its obligations, nor shall a Party’s obligations be enlarged, in whole or in part, by reason thereof. Where required, consent to assignment will not be unreasonably withheld, conditioned or delayed.

**Article 22. Severability.**

If any provision in this Agreement is finally determined to be invalid, void or unenforceable by any court or other Governmental Authority having jurisdiction, such determination shall not invalidate, void or make unenforceable any other provision, agreement or covenant of this Agreement. If Interconnection Customer (or any third party, but only if such third party is not acting at the direction of Operating Agent) seeks and obtains such a final determination with respect to any provision of Article 5.1.2 or Article 5.1.4 of this Agreement, then none of these provisions shall thereafter have any force or effect and the Parties’ rights and obligations shall be governed solely by Article 5.1.1 of this Agreement.

**Article 23. Comparability.**

The Parties will comply with all applicable comparability laws, rules and regulations, as amended from time to time.

**Article 24. Confidentiality.**

The Parties agree to protect Confidential Information and not to release or disclose it, except as allowed by this Agreement.

Confidential Information shall include, without limitation, all information relating to a Party’s technology, research and development, business affairs, and pricing, and any information supplied by either of the Parties to the other prior to the execution of this Agreement.

Information is Confidential Information only if it is clearly designated or marked in writing as confidential on the face of the document, or, if the information is conveyed orally or by inspection, if the Party providing the information orally informs the Party receiving the information that the information is confidential.

If requested by either Party, the other Party shall provide in writing, the basis for asserting that the information referred to in this Article 24 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.
24.1. Term.

During the term of this Agreement, and for a period of three (3) years after the expiration or termination of this Agreement, except as otherwise provided in this Article 24, each Party shall hold in confidence and shall not disclose to any person Confidential Information.

24.2. Scope.

Confidential Information shall not include information that the receiving Party can demonstrate: (1) is generally available to the public other than as a result of a disclosure by the receiving Party; (2) was in the lawful possession of the receiving Party on a non-confidential basis before receiving it from the disclosing Party; (3) was supplied to the receiving Party without restriction by a third party, who, to the knowledge of the receiving Party after due inquiry, was under no obligation to the disclosing Party to keep such information confidential; (4) was independently developed by the receiving Party without reference to Confidential Information of the disclosing Party; (5) is, or becomes, publicly known, through no wrongful act or omission of the receiving Party or Breach of this Agreement; or (6) is required, in accordance with Article 24.7 of this Agreement, Order of Disclosure, to be disclosed by any Governmental Authority or is otherwise required to be disclosed by law or subpoena, or is necessary in any legal proceeding establishing rights and obligations under this Agreement. 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.

24.3. Release of Confidential Information.

Neither Party shall release or disclose Confidential Information to any other person, except to its Affiliates (limited by the applicable standards of conduct requirements), subcontractors, employees, consultants, or to parties who may be or considering providing financing to or equity participation with Interconnection Customer, or to potential purchasers or assignees of Interconnection Customer, on a need-to-know basis in connection with this Agreement, unless such person has first been advised of the confidentiality provisions of this Article 24 and has agreed to comply with such provisions. Notwithstanding the foregoing, a Party providing Confidential Information to any person shall remain primarily responsible for any release of Confidential Information in contravention of this Article 24.

24.4. Rights.

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

24.5. No Warranties.

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

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

24.7. Order of Disclosure.

If (i) a court or a Governmental 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, or (ii) SRP receives a public records request to disclose Confidential Information, that Party shall provide the other Party with prompt notice of such request(s) or requirement(s) so that the other Party may seek an appropriate protective order or waive compliance with the terms of this Agreement. Notwithstanding the absence of a protective order or waiver, the Party may disclose such Confidential Information after providing the other Party notice as required by this Article 24.7 and an opportunity to seek a protective order. Each Party will use Reasonable Efforts to obtain reliable assurance that confidential treatment will be accorded any Confidential Information so furnished.

Interconnection Customer understands that, as a political subdivisions of the State of Arizona, ED2, ED3, ED4 and SRP may be subject to certain disclosure requirements under the Arizona public records law (A.R.S. § 39-101, et seq.). Provided that ED2, ED3, ED4 and SRP comply with the procedural requirements of this Article 24.7, and notwithstanding any other provision of this Agreement, SRP may release Interconnection Customer’s Confidential Information to a third party in response to a public records request submitted by such party.

24.8. Termination of Agreement.

Upon termination of this Agreement for any reason, each Party shall, within ten (10) Calendar Days of receipt of a written request from the other Party, use Reasonable Efforts to destroy, erase, or delete (with such destruction, erasure, and deletion certified in writing to the other Party) or return to the other Party, without retaining copies thereof, any and all written or electronic Confidential Information received from the other Party.

24.9. Remedies.

The Parties agree that monetary damages would be inadequate to compensate a Party for the other Party’s Breach of its obligations under this Article 27. Each Party accordingly agrees that the other Party shall be entitled to equitable relief, by way of injunction or otherwise, if the first Party Breaches or threatens to Breach its obligations under this Article 24, which equitable relief shall be granted without bond or proof of damages, and the receiving Party shall not plead in defense that there would be an adequate remedy at law. Such remedy shall not be deemed an exclusive remedy for the Breach of this Article 24, but shall be in addition to all other remedies available at law or in equity. The Parties further acknowledge and agree that the covenants contained herein are necessary for the protection of legitimate business interests and are reasonable in scope. No Party, however, shall be liable for indirect, incidental, or consequential or punitive damages of any nature or kind resulting from or arising in connection with this Article 24.
24.10. Disclosure to FERC, its Staff or a State.

Disclosure to FERC, its Staff, or a State. Notwithstanding anything in this Article 24 to the contrary, and pursuant to 18 C.F.R. § 1b.20, if FERC or its staff, during the course of an investigation or otherwise, requests information from one of the Parties that is otherwise required to be maintained in confidence pursuant to this Agreement, the Party shall provide the requested information to FERC or its staff, within the time provided for in the request for information, where required by law or Governmental Authority to do so. In providing the information to FERC or its staff, the Party must, consistent with 18 C.F.R. § 388.112, request that the information be treated as confidential and non-public by FERC and its staff and that the information be withheld from public disclosure. Parties are prohibited from notifying the other Party to this Agreement prior to the release of the Confidential Information to FERC or its staff. The Party shall notify the other Party to the Agreement when it is notified by FERC or its staff that a request to release Confidential Information has been received by FERC, at which time either of the Parties may respond before such information would be made public, pursuant to 18 C.F.R. § 388.112. Requests from a state regulatory body conducting a confidential investigation shall be treated in a similar manner if consistent with the applicable state rules and regulations.

24.11. Disclosure.

Any information that a Party claims is Confidential Information under this Agreement 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 Agreement or as a transmission service provider or a Balancing Authority Area operator including disclosing the Confidential Information to an RTO or ISO or to a regional or national reliability organization. The Party asserting confidentiality shall notify the other Party in writing of the information it claims is confidential. Prior to any disclosures of the other Party’s Confidential Information under this subparagraph, or if any third party or Governmental Authority makes any request or demand for any of the information described in this subparagraph, the disclosing Party agrees to promptly notify the other Party in writing and agrees to assert confidentiality and cooperate with the other Party in seeking to protect the Confidential Information from public disclosure by confidentiality agreement, protective order or other reasonable measures.

Article 25. Environmental Releases.

Each Party shall notify the other Party, first orally and then in writing, of the release of any Hazardous Substances, any asbestos or lead abatement activities, or any type of remediation activities related to the Generating Facility or the Interconnection Facilities, each of which may reasonably be expected to affect the other Party. The notifying Party shall: (i) provide the notice as soon as practicable, provided such Party makes a good faith effort to provide the notice no later than twenty-four (24) hours after such Party becomes aware of the occurrence; and (ii) promptly furnish to the other Party copies of any publicly available reports filed with any Governmental Authorities addressing such events.

26.1. Information Acquisition.

The Operating Agent and Interconnection Customer shall submit specific information regarding the electrical characteristics of their respective facilities to each other as described below and in accordance with Applicable Reliability Standards.

26.2. Information Submission by Operating Agent.

The initial information submission by Operating Agent shall occur no later than one hundred eighty (180) Calendar Days prior to Trial Operation and shall include JPP information necessary to allow Interconnection Customer to select equipment and meet any system protection and stability requirements, unless otherwise agreed to by the Parties. On a monthly basis Operating Agent shall provide Interconnection Customer a status report on the construction and installation of JPP Interconnection Facilities and Network Upgrade(s), including, but not limited to, the following information: (1) progress to date; (2) a description of the activities since the last report; (3) a description of the action items for the next period; and (4) the delivery status of equipment ordered.

26.3. Updated Information Submission by Interconnection Customer.

The updated information submission by Interconnection Customer, including manufacturer information, shall occur no later than one hundred eighty (180) Calendar Days prior to the Trial Operation. Interconnection Customer shall submit a completed copy of the Generating Facility data requirements contained in Appendix 1 to the GIP. It shall also include any additional information provided to Operating Agent for the Cluster System Impact Study and the Interconnection Facilities Study. Information in this submission shall be the most current Generating Facility design or expected performance data. Information submitted for stability models shall be compatible with the JPP standard models. If there is no compatible model, Interconnection Customer will work with a consultant mutually agreed to by the Parties to develop and supply a standard model and associated information.

If Interconnection Customer’s data is materially different from what was originally provided to Operating Agent, then Operating Agent will conduct appropriate studies to determine the impact on the JPP based on the actual data submitted pursuant to this Article 26.3. The Interconnection Customer shall not begin Trial Operation until such studies are completed.

26.4. Information Supplementation.

Prior to the Commercial Operation Date, the Parties shall supplement their information submissions described above in this Article 26 with any and all “as-built” Generating Facility information or “as-tested” performance information that differs from the initial submissions or, alternatively, written confirmation that no such differences exist. The Interconnection Customer shall conduct tests on the Generating Facility as required by Good Utility Practice such as an open circuit “step voltage” test on the Generating Facility to verify proper operation of the Generating Facility’s automatic voltage regulator.

Unless otherwise agreed, the test conditions shall include: (1) Generating Facility at synchronous speed; (2) automatic voltage regulator on and in voltage control mode; and (3) a five percent change in Generating Facility terminal voltage initiated by a change in the voltage regulators.
reference voltage. Interconnection Customer shall provide validated test recordings showing the responses of Generating Facility terminal and field voltages. In the event that direct recordings of these voltages is impractical, recordings of other voltages or currents that mirror the response of the Generating Facility’s terminal or field voltage are acceptable if information necessary to translate these alternate quantities to actual Generating Facility terminal or field voltages is provided. Generating Facility testing shall be conducted and results provided to Operating Agent for each individual generating unit in a station.

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

**Article 27. Information Access and Audit Rights.**

27.1. Information Access.

Each Party (the disclosing Party) shall make available to the other Party information that is in the possession of the disclosing Party and is necessary in order for the other Party to: (i) verify the costs incurred by the disclosing Party for which the other Party is responsible under this Agreement; and (ii) carry out its obligations and responsibilities under this Agreement. The Parties shall not use such information for purposes other than those set forth in this Article 27.1 and to enforce their rights under this Agreement.

27.2. Reporting of Non-Force Majeure Events.

Each Party (the notifying Party) shall notify the other Party when the notifying Party becomes aware of its inability to comply with the provisions of this Agreement for a reason other than a Force Majeure event. The Parties agree to cooperate with each other and provide necessary information regarding such inability to comply, including the date, duration, reason for the inability to comply, and corrective actions taken or planned to be taken with respect to such inability to comply. Notwithstanding the foregoing, notification, cooperation or information provided under this Article shall not entitle the Party receiving such notification to allege a cause for anticipatory breach of this Agreement.

27.3. Audit Rights.

Subject to the requirements of confidentiality under Article 24 of this Agreement, each Party shall have the right, during normal business hours, and upon prior reasonable notice to the other Party, to audit at its own expense the other Party’s accounts and records pertaining to either Party’s performance or either Party’s satisfaction of obligations under this Agreement. Such audit rights shall include audits of the other Party’s costs, calculation of invoiced amounts, Operating Agent’s efforts to allocate responsibility for the provision of reactive support to the JPP, Operating Agent’s efforts to allocate responsibility for interruption or reduction of generation on the JPP, and each Party’s actions in an Emergency Condition. Any audit authorized by this Article shall be performed at the offices where such accounts and records are maintained and shall be limited to those portions of such accounts and records that relate to each Party’s performance and satisfaction of
obligations under this Agreement. Each Party shall keep such accounts and records for a period equivalent to the audit rights periods described in Article 27.4.

27.4. Audit Rights Periods.

27.4.1. Audit Rights Period for Construction-Related Accounts and Records.

Accounts and records related to the design, engineering, procurement, and construction of JPP Interconnection Facilities and Network Upgrades shall be subject to audit for a period of twenty-four months following Operating Agent’s issuance of a final invoice in accordance with Section 14.2.

27.4.2. Audit Rights Period for All Other Accounts and Records.

Accounts and records related to either Party’s performance or satisfaction of all obligations under this Agreement other than those described in Section 27.4.1 shall be subject to audit as follows: (i) for an audit relating to cost obligations, the applicable audit rights period shall be twenty-four months (24) after the auditing Party’s receipt of an invoice giving rise to such cost obligations; and (ii) for an audit relating to all other obligations, the applicable audit rights period shall be twenty-four (24) months after the event for which the audit is sought.

27.5. Audit Results.

If an audit by a Party determines that an exception, such as an overpayment or an underpayment has occurred, a written notice of such exception shall be given to the other Party together with those records from the audit which support such determination. The other Party’s Authorized Representative shall respond in writing to such notification of any exception within thirty (30) Calendar Days. Upon resolution of any exception, the owing Party shall directly refund the amount of any exception to the other Party within thirty (30) Calendar days.

Article 28. Subcontractors.


Nothing in this Agreement shall prevent a Party from utilizing the services of any subcontractor as it deems appropriate to perform its obligations under this Agreement; provided, however, that each Party shall require its subcontractors to comply with all applicable terms and conditions of this Agreement in providing such services and each Party shall remain primarily liable to the other Party for the performance of such subcontractor.

28.2. Responsibility of Principal.

The creation of any subcontract relationship shall not relieve the hiring Party of any of its obligations under this Agreement. The hiring Party shall be fully responsible to the other Party for the acts or omissions of any subcontractor the hiring Party hires as if no subcontract had been made; provided, however, that in no event shall Joint Participants be liable for the actions or inactions of Interconnection Customer or its subcontractors with respect to obligations of Interconnection Customer under Article 5 of this Agreement. Any applicable obligation imposed by this Agreement upon the hiring Party shall be equally binding upon, and shall be construed as having application to, any subcontractor of such Party.
28.3. No Limitation by Insurance.

The obligations under this Article 28 will not be limited in any way by any limitation of subcontractor’s insurance.

Article 29. Disputes.

29.1. Submission.

In the event either Party has a dispute, or asserts a claim, that arises out of or in connection with this Agreement or its performance, such Party (the disputing Party) shall provide the other Party with written notice of the dispute or claim (Notice of Dispute). Such dispute or claim shall be referred to a designated senior representative of each Party for resolution on an informal basis as promptly as practicable after receipt of the Notice of Dispute by the other 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 Agreement.

29.2. External Arbitration Procedures.

Any arbitration initiated under this Agreement shall be conducted before a single neutral arbitrator appointed by the Parties. If the Parties fail to agree upon a single arbitrator within ten (10) Calendar Days of the submission of the dispute to arbitration, each Party shall choose one arbitrator who shall sit on a three-member arbitration panel. The two arbitrators so chosen shall within twenty (20) Calendar Days select a third arbitrator to chair the arbitration panel. In either case, the arbitrators shall be knowledgeable in electric utility matters, including electric transmission and bulk power issues, and shall not have any current or past substantial business or financial relationships with any party to the arbitration (except prior arbitration). The arbitrator(s) shall provide each of the Parties an opportunity to be heard and, except as otherwise provided herein, shall conduct the arbitration in accordance with the Commercial Arbitration Rules of the American Arbitration Association (Arbitration Rules) and any applicable FERC regulations or RTO rules; provided, however, in the event of a conflict between the Arbitration Rules and the terms of this Article 29, the terms of this Article 29 shall prevail.

29.3. Arbitration Decisions.

Unless otherwise agreed by the Parties, the arbitrator(s) shall render a decision within ninety (90) Calendar Days of appointment and shall notify the Parties in writing of such decision and the reasons therefor. The arbitrator(s) shall be authorized only to interpret and apply the provisions of this Agreement and shall have no power to modify or change any provision of this Agreement in any manner. Judgment on the arbitrator’s decision may be entered in any court having jurisdiction. 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 Upgrade(s) of any Joint Participant so obligated by FERC. The decision of the arbitrator must also be submitted to SRP’s Board of Directors for a final decision if it affects, rates, terms or conditions of service or facilities.
29.4. Costs.

Each Party shall be responsible for its own costs incurred during the arbitration process and for the following costs, if applicable: (1) the cost of the arbitrator chosen by the Party to sit on the three-member panel and one half of the cost of the third arbitrator chosen; or (2) one half the cost of the single arbitrator jointly chosen by the Parties.

Article 30. Representations, Warranties, and Covenants.

30.1. General.

Each Party makes the following representations, warranties and covenants:

30.1.1. Good Standing.

Such Party is duly organized, validly existing and in good standing under the laws of the state in which it is organized, formed, or incorporated, as applicable; that it is qualified to do business in the state or states in which the Generating Facility, Interconnection Facilities and Network Upgrade(s) owned by such Party, as applicable, are located; and that it has the corporate power and authority to own its properties, to carry on its business as now being conducted and to enter into this Agreement and carry out the transactions contemplated hereby and perform and carry out all covenants and obligations on its part to be performed under and pursuant to this Agreement.

30.1.2. Authority.

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

30.1.3. No Conflict.

The execution, delivery and performance of this Agreement does not violate or conflict with the organizational or formation documents, or bylaws or operating agreement, of such Party, or any judgment, license, permit, order, material agreement or instrument applicable to or binding upon such Party or any of its assets.

Such Party has sought or obtained, or, in accordance with this Agreement will seek or obtain, each consent, approval, authorization, order, or acceptance by any Governmental Authority in connection with the execution, delivery and performance of this Agreement, and it will provide to any Governmental Authority notice of any actions under this Agreement that are required by Applicable Laws and Regulations.
Article 31. Joint Operating Committee.


Operating Agent and Interconnection Customer shall be members of a Joint Operating Committee to coordinate operating and technical considerations of Interconnection Service with the E&O Committee. At least six (6) months prior to the expected Initial Synchronization Date, Operating Agent and Interconnection Customer shall each appoint one representative and one alternate to the Joint Operating Committee. Each Interconnection Customer shall notify Operating Agent of its appointment in writing. Such appointments may be changed at any time by similar notice. The Joint Operating Committee shall meet with the E&O Committee as necessary, but not less than once each calendar year, to carry out the duties set forth herein. The Joint Operating Committee shall meet with the E&O Committee at the request of any Party during otherwise scheduled E&O Committee meetings. The Joint Operating Committee shall perform all of its duties consistent with the provisions of this Agreement. Each Party shall cooperate in providing to the Joint Operating Committee all information required in the performance of the Joint Operating Committee’s duties. All decisions and agreements, if any, made by the Joint Operating Committee, shall be evidenced in writing. The duties of the Joint Operating Committee shall include the following:

31.1.1. Establish data requirements and operating record requirements.

31.1.2. Review the requirements, standards, and procedures for data acquisition equipment, protective equipment, and any other equipment or software.

31.1.3. Annually review the one (1) year forecast of maintenance and planned outage schedules of the Interconnection Facilities at the Point of Interconnection.

31.1.4. Coordinate the scheduling of maintenance and planned outages on the Interconnection Facilities, the Generating Facility and other facilities that impact the normal operation of the interconnection of the Generating Facility to the JPP.

31.1.5. Ensure that information is being provided by each Party regarding equipment availability.

31.1.6. Perform such other duties as may be conferred upon it by mutual agreement of the Parties.

Article 32. Miscellaneous.

32.1. Binding Effect.

This Agreement and the rights and obligations hereof, shall be binding upon and shall inure to the benefit of the successors and assigns of the Parties hereto including each of the Joint Participants.

32.2. Conflicts.

In the event of a conflict between the body of this Agreement and any attachment, appendices or exhibits hereto, the terms and provisions of the body of this Agreement shall prevail and be deemed the final intent of the Parties.
32.3. **Rules of Interpretation.**

This Agreement, unless a clear contrary intention appears, shall be construed and interpreted as follows: (1) the singular number includes the plural number and vice versa; (2) reference to any person includes such person's successors and assigns but, in the case of a Party, only if such successors and assigns are permitted by this Agreement, and reference to a person in a particular capacity excludes such person in any other capacity or individually; (3) reference to any agreement (including this Agreement), document, instrument or tariff means such agreement, document, instrument, or tariff as amended or modified and in effect from time to time in accordance with the terms thereof and, if applicable, the terms hereof; (4) reference to any Applicable Laws and Regulations means such Applicable Laws and Regulations as amended, modified, codified, or reenacted, in whole or in part, and in effect from time to time, including, if applicable, rules and regulations promulgated thereunder; (5) unless expressly stated otherwise, reference to any Article, Section or Appendix means such Article of this Agreement or such Appendix to this Agreement, or such Section to the GIP or such Appendix to the GIP, as the case may be; (6) “hereunder,” “hereof,” “herein,” “hereto” and words of similar import shall be deemed references to this Agreement as a whole and not to any particular Article or other provision hereof or thereof; (7) “including” (and with correlative meaning “include”) means including without limiting the generality of any description preceding such term; and (8) relative to the determination of any period of time, “from” means “from and including,” “to” means “to but excluding” and “through” means “through and including.”

32.4. **Entire Agreement.**

This Agreement, together with the EPC constitute the entire agreement between the Parties with reference to the subject matter hereof, and supersedes all prior and contemporaneous understandings or agreements, oral or written, between the Parties with respect to the subject matter of this Agreement. There are no other agreements, representations, warranties, or covenants which constitute any part of the consideration for, or any condition to, either Party’s compliance with its obligations under this Agreement.

32.5. **No Third Party Beneficiaries.**

This Agreement is not intended to and does not create rights, remedies, or benefits of any character whatsoever in favor of any persons, corporations, associations, or entities other than the Parties, and the obligations herein assumed are solely for the use and benefit of the Parties, their successors in interest and, where permitted, their assigns.

32.6. **Waiver.**

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

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

The descriptive headings of the various Articles of this Agreement have been inserted for convenience of reference only and are of no significance in the interpretation or construction of this Agreement.

32.8. Amendment.

The Parties may by mutual agreement amend this Agreement by a written instrument duly executed by the Parties.

32.9. Appendix and Exhibit Revisions.

32.9.1. Unless otherwise noted herein, appendices and exhibits to this Agreement may be modified by the E&O Committee if agreed to by the E&O Committee representative of each Participant and the Interconnection Customer in writing.

32.9.2. The Operating Agent shall submit each revised appendix and/or exhibit to the E&O Committee for its review and approval. Within thirty (30) days after approval of such revised appendices and/or exhibits by the E&O Committee, Operating Agent or designated FERC jurisdictional Participant shall file such revised appendices and/or exhibits with FERC for approval and distribute copies thereof to each Participant.

32.9.3. The effective date of a revised appendices and/or exhibits shall be as determined by the E&O Committee and is subject to FERC approval. Revised cost responsibility percentages shall be reflected in invoices following the FERC-approved effective date of the revised appendices and/or exhibits.

32.10. Modification by the Parties.

Appendices H and I of this Agreement may be revised by the Operating Agent, subject, however, to the approval of the E&O Committee. The other appendices or exhibits to this Agreement may be revised by mutual agreement of Interconnection Customer and the Operating Agent, subject, however, to the approval of the E&O Committee.

32.11. Reservation of Rights.

Each of the Joint Participants shall have the right to make a unilateral filing with FERC to modify this Agreement with respect to any rates, terms and conditions, charges, classifications of service, rule or regulation under section 205 or any other applicable provision of the Federal Power Act and FERC’s rules and regulations thereunder, and Interconnection Customer shall have the right to make a unilateral filing with FERC to modify this Agreement pursuant to section 206 or any other applicable provision of the Federal Power Act and FERC’s rules and regulations thereunder; provided that each Party shall have the right to protest any such filing and to participate fully in any proceeding before FERC in which such modifications may be considered. Nothing in this Agreement shall limit the rights of the Parties or of FERC under sections 205 or 206 of the Federal Power Act and FERC’s rules and regulations thereunder, except to the extent that the Parties otherwise mutually agree as provided herein.
32.12. No Partnership.

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


This Agreement may be executed in any number of counterparts, including in facsimile and electronic formats (including portable document format (.pdf) and with the use of an electronic or digital signature, each of which shall be deemed an original and all of which, when taken together, shall constitute one and the same instrument. Any signature page of this Agreement may be detached from any counterpart of this Agreement without impairing the legal effect of any signatures thereon.

IN WITNESS WHEREOF, the Parties have executed this Agreement in duplicate originals, each of which shall constitute and be an original effective Agreement between the Parties.

ARIZONA ELECTRIC POWER COOPERATIVE, INC.

Name: ____________________________________________
Title: ____________________________
Date: ____________________________

ELECTRICAL DISTRICT NO. 2, PINAL COUNTY

Name: ____________________________
Title: ____________________________
Date: ____________________________

ELECTRICAL DISTRICT NO. 3, PINAL COUNTY

Name: ____________________________
Title: ____________________________
Date: ____________________________
ELECTRICAL DISTRICT NO. 4, PINAL COUNTY

Name: ____________________________
Title: ____________________________
Date: ____________________________

SALT RIVER PROJECT AGRICULTURAL IMPROVEMENT AND POWER DISTRICT

Name: ____________________________
Title: ____________________________
Date: ____________________________

TUCSON ELECTRIC POWER COMPANY

Name: ____________________________
Title: ____________________________
Date: ____________________________

INTERCONNECTION CUSTOMER

Name: ____________________________
Title: ____________________________
Date: ____________________________

DRAFT
Appendix A

Interconnection Facilities, Network Upgrade(s) and Distribution Upgrade(s)

1. Interconnection Facilities:
   (a) [insert Interconnection Customer’s Interconnection Facilities]
   (b) [insert JPP Interconnection Facilities]:

2. Network Upgrades:

3. Distribution Upgrades:

4. Shared Network Upgrades:

FIGURE 1

FIGURE 2
Appendix B

Milestones

The following Milestones will be achieved as follows:

1. Requested In-Service Date – to be set forth in the Engineering, Procurement and Construction Agreement.

2. Date of completion of Network Upgrades –

3. Permits –

4. Commercial Operation Date:

Affected Systems:
Appendix C

Interconnection Details

[Interconnection Requirements to Be Developed And Provided By Operating Agent] Requested Capacity In-service (MW)

At the end of the Seven Year Queue Limit, the amount of capacity actually in service is [MW] and shall be the maximum interconnection service allowed.
Appendix D
Security Arrangements Details

Infrastructure security of JPP equipment and operations and control hardware and software is essential to ensure day-to-day JPP reliability and operational security. All Interconnection Customers interconnected to the JPP shall comply with Applicable Reliability Standards. Operating Agent meets, and expects its Interconnection Customers to meet, standards for system infrastructure and operational security, including physical, operational, and cyber-security practices.
Appendix E

Commercial Operation Date

[Date]

[Operating Agent Address]

Re: _______________ Generating Facility

Dear ________:

On [Date] [Interconnection Customer] has completed Trial Operation of Unit No. _______. This letter confirms that [Interconnection Customer] has achieved the Commercial Operation Date of Unit No. _______ at the Generating Facility, effective as of [Date plus one day]. The Capacity In-Service is ____________MW.

Thank you.

[Signature]

[Interconnection Customer Representative]
Appendix F
Addresses for Delivery of Notices and Billings

Notices:

Transmission Provider:
Salt River Project
Attn: Director, Transmission Planning Strategy & Development
Mail Station POB100
P.O. Box 52025
Phoenix, AZ  85072-2025

Interconnection Customer:
[To be supplied.]

Billings and Payments:

Transmission Provider:
Salt River Project
Attn: Director, Transmission Planning Strategy & Development
Mail Station POB100
P.O. Box 52025
Phoenix, AZ  85072-2025

Interconnection Customer:
[To be supplied.]

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

Transmission Provider:
Salt River Project
Attn: Manager, Transmission Participation & Interconnection Projects
Mail Station POB100
P.O. Box 52025
Phoenix, AZ  85072-2025
PH:  602-236-2847
Interconnection Customer:

[To be supplied.]
Appendix G

Interconnection Requirements for a Wind Generating Plant

A. Technical Standards Applicable to a Wind Generating Plant
   i. Low Voltage Ride-Through (LVRT) Capability

A wind generating plant shall be able to remain online during voltage disturbances up to the time periods and associated voltage levels set forth in the standard in Figure 1, below, if the Cluster System Impact Study shows that low voltage ride-through capability is required to ensure safety or reliability.

The standard applies to voltage measured at the Point of Interconnection as defined in this Agreement. The figure shows the ratio of actual to nominal voltage (on the vertical axis) over time (on the horizontal axis). Before time 0.0, the voltage at the transformer is the nominal voltage.

At time 0.0, the voltage drops. If the voltage remains at a level greater than 15 percent of the nominal voltage for a period that does not exceed 0.625 seconds, the plant must stay online. Further, if the voltage returns to 90 percent of the nominal voltage within 3 seconds of the beginning of the voltage drop (with the voltage at any given time never falling below the minimum voltage indicated by the solid line in Figure 1), the plant must stay online. The Interconnection Customer may not disable low voltage ride-through equipment while the wind plant is in operation. Two key features of this regulation are:

1. A wind generating plant must have low voltage ride-through capability down to 15 percent of the rated line voltage for 0.625 seconds;
2. A wind generating plant must be able to operate continuously at 90 percent of the rated line voltage, measured at the high voltage side of the wind plant substation transformer(s).

![Figure 1  Proposed low voltage ride-through standard](image)

* per unit = Ratio of Actual to Nominal Voltage

**Figure 1** Proposed low voltage ride-through standard
ii. **Power Factor Design Criteria (Reactive Power)**

A wind generating plant shall maintain a power factor within the range of 0.95 leading to 0.95 lagging, measured at the Point of Interconnection as defined in this Agreement, unless the Cluster System Impact Study shows that such a requirement is unnecessary to ensure safety or reliability. The power factor range standard can be met by using, for example, power electronics designed to supply this level of reactive capability (taking into account any limitations due to voltage level, real power output, etc.) or fixed and switched capacitors if agreed to by Operating Agent, or a combination of the two. The Interconnection Customer shall not disable power factor equipment while the wind plant is in operation. Wind plants shall also be able to provide sufficient dynamic voltage support in lieu of the power system stabilizer and automatic voltage regulation at the generator excitation system unless the Cluster System Impact Study shows this not to be required for system safety or reliability.

iii. **Supervisory Control and Data Acquisition (SCADA) Capability**

The wind plant shall provide SCADA capability to transmit data and receive instructions from the Transmission Provider to protect system reliability. The Transmission Provider and the wind plant Interconnection Customer shall determine what SCADA information is essential for the proposed wind plant, taking into account the size of the plant and its characteristics, location, and importance in maintaining generation resource adequacy and transmission system reliability in its area.
Appendix H-1

Common Facilities

This appendix identifies Common Facilities, and their respective costs, associated with the Joint Participant Project (Insert Name of Substation/Switchyard) to which interconnection is provided for under this Agreement.

<table>
<thead>
<tr>
<th>COMPONENT</th>
<th>ORIGINAL INSTALLED COST</th>
</tr>
</thead>
<tbody>
<tr>
<td>Engineering</td>
<td>$ 415,501</td>
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<tr>
<td>Project Management</td>
<td>198,713</td>
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<td>Land/Environmental/Survey</td>
<td>878,645</td>
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<td>Inspection</td>
<td>130,386</td>
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<td>Contractor Mob/De-mob</td>
<td>50,577</td>
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<td>Temporary Facilities</td>
<td>29,766</td>
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<tr>
<td>Site Security &amp; Conduit</td>
<td>109,841</td>
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<tr>
<td>Substation Enclosure</td>
<td>25,281</td>
</tr>
<tr>
<td>Cable Trench</td>
<td>301,572</td>
</tr>
<tr>
<td>Site Preparation, Clean-up</td>
<td>357,843</td>
</tr>
<tr>
<td>Final Surfacing Material</td>
<td>584,000</td>
</tr>
<tr>
<td>Access Road</td>
<td>100,612</td>
</tr>
<tr>
<td>Static Projection</td>
<td>47,841</td>
</tr>
<tr>
<td>Grounding</td>
<td>333,594</td>
</tr>
<tr>
<td>AC Aux Power System &amp; Lighting</td>
<td>73,109</td>
</tr>
<tr>
<td>Communications System</td>
<td>200,857</td>
</tr>
<tr>
<td>Main Buses</td>
<td>733,900</td>
</tr>
<tr>
<td>Supervisory Control</td>
<td>67,430</td>
</tr>
<tr>
<td>Maintenance Building</td>
<td>356,114</td>
</tr>
<tr>
<td>Control House</td>
<td>338,828</td>
</tr>
<tr>
<td>DC Power System</td>
<td>53,321</td>
</tr>
</tbody>
</table>

Total OIC $ 5,387,731
Appendix H-2

Common Facilities Use Fee

This appendix provides the methodology for calculation of a one-time payment to be made by Interconnection Customer for use of Common Facilities.

The one-time payment by Interconnection Customer is calculated as follows:

\[ P = (OIC + X) \times CRR \]

Where:

- \( P \) = Payment by Interconnection Customer for use of Common Facilities
- \( OIC \) = Original Installed Costs of Common Facilities prior to Interconnection Customer’s interconnection, as shown on Appendix H-1
- \( X \) = Cost of Capital Improvements of Common Facilities from April 2015 to date\(^1\)
- \( CRR \) = Interconnection Customer’s Cost Responsibility Ratio as calculated pursuant to Appendix I

\(^1\) The Cost of Capital Improvements of Common Facilities are as of the date of execution of this Agreement. The Cost of Capital Improvement of Common Facilities will be adjusted at the time of invoicing based on the then current amount to be billed.
Appendix I
Cost Responsibility Ratio (CRR)

This appendix sets forth the computation of the Interconnection Customer’s Cost Responsibility Ratio (CRR) for the JPP after Interconnection Customer’s interconnection:

CRR = \( \frac{A}{A+B+C} \)

- **A** = Connections used by Interconnection Customer (IC)
- **B** = Connections used by JPP
- **C** = Connections used by others
- **X** = Excluded Connections – Connections created for the sole purpose of facilitating a dedicated substation connection to JPP.

TOTAL NUMBER OF JOINT PARTICIPANTS INTERCONNECTIONS =

<table>
<thead>
<tr>
<th>Connections at JPP - Hypothetical calculation for illustration only</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Name of Connection</strong></td>
</tr>
<tr>
<td>------------------------</td>
</tr>
<tr>
<td>JPP Hypothetical Line 1</td>
</tr>
<tr>
<td>JPP Hypothetical Line 1</td>
</tr>
<tr>
<td>IC Hypothetical Line</td>
</tr>
<tr>
<td>Other interconnector Line</td>
</tr>
<tr>
<td>Excluded Connections</td>
</tr>
</tbody>
</table>

CRR = \( \frac{1}{1+2+1} \) = 25%

Note:
(1) The CRR shall be applied to the one-time payment pursuant to Appendix H-2
(2) The CRR also shall be applied to all other costs and expenses that allocable to Interconnection Customer under this Agreement as set forth in Article 12.5 and Article 14 herein.
Appendix J
Third Party Interconnection Reimbursement Methodology

This appendix sets forth examples illustrating the responsibilities for future interconnectors (Third Parties) to the JPP Interconnection Facilities to reimburse Interconnection Customer for Interconnection Customer’s initial capital cost expenses for JPP Interconnection Facilities pursuant to Article 12.5 of this Agreement.

Key to Tables 1 - 3 in examples below:

A  =  Connections used by Interconnection Customer (Inter. Cust.)
B  =  Connections used by Joint Participant Project (JPP)
C  =  Connections used by Third Parties

1. Table #1 details (illustrative) currently configured cost responsibilities:

<table>
<thead>
<tr>
<th>Table #1 – Current Interconnection Configuration</th>
<th>Capital Cost Responsibility</th>
<th>Capital Reimbursement to Inter. Cust.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Inter. Cust.  ( \frac{A}{A + B + C} ) ( \frac{1}{1 + 0 + 0} ) ( \frac{1}{1} )</td>
<td>1</td>
<td>0</td>
</tr>
<tr>
<td>JPP  ( \frac{B}{A + B + C} ) ( \frac{0}{1 + 0 + 0} ) ( \frac{0}{1} )</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Third Party  ( \frac{C}{A + B + C} ) ( \frac{0}{1 + 0 + 0} ) ( \frac{0}{1} )</td>
<td>0</td>
<td>0</td>
</tr>
</tbody>
</table>

2. Table #2 illustrates cost responsibilities assuming a single future third party interconnector along with the interconnectors of Table #1:

| Table #2 - Potential Third Party Interconnection: for illustration only |
|-----------------------------------------------|-----------------------------|--------------------------------------|
| Inter. Cust.  \( \frac{A}{A + B + C} \) \( \frac{1}{1 + 0 + 0} \) \( \frac{1}{2} \)  | 1  | 0 |
| JPP  \( \frac{B}{A + B + C} \) \( \frac{0}{1 + 0 + 0} \) \( \frac{0}{2} \)  | 0  | 0 |
| Third Party  \( \frac{C}{A + B + C} \) \( \frac{1}{1 + 0 + 0} \) \( \frac{1}{2} \)  | 1  | 0 |
3. Table #3 illustrates cost responsibilities assuming a second future third party interconnector along with the interconnectors of Table #2:

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>JPP</td>
<td>( \frac{A}{(A + B + C)} ) ( \frac{1}{(1 + 0 + 2)} ) ( \frac{1}{3} ) ( 0 )</td>
<td></td>
</tr>
<tr>
<td>#1 Third Party</td>
<td>( \frac{B}{(A + B + C)} ) ( \frac{0}{(1 + 0 + 2)} ) ( 0 ) ( 0 )</td>
<td></td>
</tr>
<tr>
<td>#2 Third Party</td>
<td>( \frac{C}{(A + B + C)} ) ( \frac{1}{(1 + 0 + 2)} ) ( \frac{1}{3} ) ( 0 )</td>
<td></td>
</tr>
</tbody>
</table>

For illustration only.
APPENDIX L
Form of Easement

EASEMENT

WHEN RECORDED MAIL TO:

SALT RIVER PROJECT
Land Department/PAB350
P. O. Box 52025
Phoenix, Arizona 85072-2025

AFFIDAVIT EXEMPT PURSUANT TO
A.R.S. §§ 11-1134(A)(2) and (A)(3)

NON-EXCLUSIVE EASEMENT FOR INTERCONNECTION FACILITIES AND ACCESS
(Palo Verde-Pinal Central Substation)

THIS EASEMENT AGREEMENT ("Easement Agreement") is made as of the ___ day of ____________, 20__ ("Effective Date") by and among Salt River Project Agricultural Improvement and Power District, an agricultural improvement district organized and existing under the laws of the State of Arizona, and Tucson Electric Power Company, an Arizona corporation, each as to their undivided interest in the Land (defined below) (collectively "Grantor") and [INTERCONNECTION CUSTOMER], a ______________ limited liability company, ("Grantee"). Except as otherwise defined in this Easement Agreement, all initial capitalized words shall have the meanings ascribed to them in the IA (defined below).

RECITALS

A. Grantor is the owner of certain real property legally described and located in Pinal County, Arizona (the "Land").

B. Grantor, together with Electrical District No. 2, Pinal County, an electrical district organized and existing under the laws of the State of Arizona, Electrical District No. 3, Pinal County, an electrical district organized and existing under the laws of the State of Arizona,
Electrical District No. 4, Pinal County, an electrical district organized and existing under the laws of the State of Arizona, and Arizona Electric Power Cooperative, Inc., a non-profit rural electric cooperative corporation organized under the generation and transmission cooperatives laws of the State of Arizona, are, collectively, the “Joint Participants” under that certain Palo Verde to Pinal Central Generator Interconnection Agreement, dated _______ (together with all amendments thereto, the “IA”). The Joint Participants and Grantee are parties to the IA.

C. Pursuant to the IA, Grantor desires to grant Grantee a non-exclusive easement for the purposes of locating the Interconnector’s Interconnection Facilities (as defined in the IA), and installing, operating, maintaining, repairing and replacing Interconnector’s Interconnection Facilities.

AGREEMENT

1. **Grant of Easement.** Grantor hereby grants to Grantee, its successors and assigns, the following easements (collectively, the “Easement”);

   (a) a non-exclusive easement on, over, and across the portion of the Land legally described on Exhibit “B” hereto (the “Facilities Area”), for the purpose of locating the Interconnection Facilities, and installing, operating, maintaining, repairing and replacing the Interconnection Facilities; and

   (b) a non-exclusive easement on, over, and across the portion of the Land legally described on Exhibit “C” hereto (the “Access Area,” together with the Facilities Area, the “Easement Area”), for the purpose of providing pedestrian and vehicular access to the Facilities Area to exercise the rights granted to Grantee under item (a) above.

2. **Condition of Easement.** The Easement granted to Grantee hereunder is expressly made subject to:

   (a) The condition and state of repair of the Easement Area as the same may be on the Effective Date; and

   (b) All matters of record with respect to the Land as of the Effective Date.

3. **Relocation.** The Interconnection Facilities shall initially be constructed by the Interconnector (as defined in the IA) within the Facilities Area, as designated or approved by Grantor and Grantee shall not relocate, modify, or authorize the relocation or modification of the Interconnection Facilities without the consent of Grantor. Grantor reserves the right to require Grantee to relocate the Interconnection Facilities at the direction of Grantor. Grantor may also require Grantee to relocate or modify the Access Area, provided that Grantee is afforded the same ability to access the Facilities Area as Grantee enjoyed prior to such relocation or modification. Subject to Grantor’s right to require the relocations or modifications described in this paragraph 3, Grantor shall not grant rights to any other PV-PC interconnector to utilize the Easement Area in any manner which would materially interfere with the use thereof by Grantee pursuant to the Easement. Upon the relocation of the Interconnection Facilities, or the relocation or modification of the Access Area, Grantor and Grantee shall execute, and cause the recordation of, an amendment to this Easement Agreement setting forth the new Easement Area resulting from such relocations or modification.
4. **Term, Termination.** The Easement and all rights and obligations provided herein shall expire automatically and without further act of any party upon termination of the IA. At any time after such expiration, Grantor, or any Joint Participant, may request that Grantee execute, acknowledge and deliver to Grantor for recording, an instrument evidencing the termination of the Easement and all rights and obligations hereunder, provided that Grantee agrees that such instrument is not required to effectuate such termination.

5. **Compliance with Laws.** In exercising the rights granted to Grantee hereunder, Grantee shall comply with all applicable laws, ordinances, rules and regulations pertaining thereto, including without limitation State and County dust control regulations.

6. **Liens.** Grantee shall pay or cause to be paid all costs for work done by Grantee or caused to be done by Grantee on the Easement Area, and Grantee shall keep the Easement Area free and clear of all mechanics’ liens and materialmen’s liens, professional service liens and other liens on account of work done or materials supplied to Grantee or to the Easement Area at the request of Grantee or any other person or entity acting on Grantee’s behalf.

7. **Maintenance, Restoration.** In performing work within the Easement Area, Grantee shall at all times keep its work area in a safe and clean condition, and remove all waste materials and rubbish, leaving the work area clear of all obstructions. Upon completion of all construction activities or other use of the Easement Area, Grantee shall restore the Easement Area to as close to its original condition as is reasonably possible at the expense of the Grantee. Grantee shall further repair any property damage caused by Grantee or Grantee’s contractors, including without limitation any penetration of or damage to underground improvements on the Easement Area, at Grantee’s sole cost and expense.

8. **Conflict with IA.** In the event of any conflict or inconsistency between the provisions of this Easement Agreement and those of the IA, the terms and provisions of the IA shall prevail.

9. **Counterparts.** This Easement Agreement may be executed in any number of counterparts with the same effect as if the parties had signed the same document. All counterparts shall be construed together and constitute one document.

IN WITNESS WHEREOF, the parties executed this instrument as of the day and year set forth above.

GRANTOR:

SALT RIVER PROJECT AGRICULTURAL IMPROVEMENT AND POWER DISTRICT
an agricultural improvement district organized and existing under the laws of the State of Arizona

BY:

President / Vice President
David Rousseau / Christopher Dobson
ATTEST AND COUNTERSIGN:

Secretary / Assistant Secretary
John M. Felty / Lora F. Hobaica

STATE OF ARIZONA )
) ss.
County of Maricopa )

The foregoing instrument was acknowledged before me this _____________ day of _____________, 202_, by David Rousseau / Christopher Dobson as President/Vice President and John M. Felty / Lora F. Hobaica as Secretary/Assistant Secretary of Salt River Project Agricultural Improvement and Power District, on behalf of such district.

Notary Public

My Commission expires:
GRANTOR:
TUCSON ELECTRIC POWER COMPANY,
an Arizona corporation

BY:

Title:

Name:

STATE OF ARIZONA )
County of ____________ ) ss.

The foregoing instrument was acknowledged before me this __________ day of
__________________, 202_, by _____________________________ as
______________________________ as of Tucson Electric Power Company, an Arizona
corporation on behalf of such corporation.

My Commission expires:

________________________________________
GRANTEE:

[INTERCONNECTION CUSTOMER]

By: ________________________________

Name: ______________________________

Its: ________________________________

State of ____________________________

County of __________________________

On __________ before me, ________________________, Notary Public, personally appeared ________________________, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of _______________ that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature ____________________________ (Seal)
SOUTHWEST VALLEY 500 kV PROJECT

LARGE STANDARD GENERATOR

INTERCONNECTION AGREEMENT (LGIA)
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LARGE STANDARD GENERATOR INTERCONNECTION AGREEMENT

THIS LARGE GENERATOR INTERCONNECTION AGREEMENT ("This Generator Interconnection Agreement" (Agreement) is made and entered into this _____ day of __________, 20__, by and between _______________________, a ___________________ organized and existing under the laws of the State/Commonwealth of_______ ("Name of Interconnection Customer") a ___________________ organized and existing under the laws of the State/Commonwealth of_______ ("Interconnection Customer") with a Large Generating Facility, and the owners of the Southwest Valley 500kV Project (Joint Participant Project (JPP)), a jointly owned transmission facility located in the State of Arizona. The owners include Arizona Public Service Company (APS), an Arizona corporation and Salt River Project Agricultural Improvement and Power District (SRP), an agricultural improvement district organized and existing under the laws of the State of Arizona, as owners of the Southwest Valley 500 kV Project ("JPP”), a jointly owned transmission facility located in the State of Arizona (collectively, the Joint Participants). Interconnection Customer and the Joint Participants each may be referred to as a “Party” or collectively as the “Parties.”

Recitals

WHEREAS, the Joint Participants own and cause to be operated are parties to the Southwest Valley 500kV Project Development and Operating Agreement (Development and Operating Agreement) dated May 7, 2002 and amended on March 28, 2014, as amended from time to time, to establish the terms and conditions relating to their interest in and their ownership of the JPP; and

WHEREAS, Interconnection Customer intends to own, lease and/or control and operate the Generating Facility identified as a Large Generating Facility in Appendix C to this Agreement; and,

WHEREAS, Interconnection Customer and the Joint Participants have agreed to enter into this Agreement for the purpose of interconnecting the Large Generating Facility with the JPP;

NOW, THEREFORE, in consideration of and subject to the mutual covenants contained herein, it is agreed:

When used in this Large Generator Interconnection Agreement, terms with initial capitalization that are not defined in Article 1 of this Agreement shall have the meanings specified in the Article in which they are used or in the Southwest Valley 500 kV Project Large SRP’s Generator Interconnection Procedures ("LGIP") or in the Southwest Valley 500 kV Project Development and Operating Agreement between Salt River Project Agricultural Improvement and Power District and Arizona Public Service Company, dated May 6, 2002, as amended from time to time. Where meanings conflict, those set forth herein shall prevail.
Article 1. Definitions

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

Affected System shall mean an electric system other than the JPP 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 JPP 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 Standards shall mean the North American Electric Reliability Corporation (NERC) mandatory reliability council applicable to the Transmission System to which the Generating Facility is directly interconnected, presently standards, the Western Electricity Electric Coordinating Council, or its successor (WECC) regional criteria and the Balancing Authority procedures and requirements.

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

Balancing Authority shall mean, as such definition may be amended from time to time by NERC, the responsible entity that integrates resource plans ahead of time, maintains load-exchange-generation-balanceload-interchange-generation-balancing within a Balancing Authority Area, and supports Interconnection interconnection frequency in real time.

Balancing Authority Area shall mean the collection of generation, transmission and loads within the metered boundaries of the Balancing Authority. The Balancing Authority maintains load resource balance within this area, as such definition may be amended from time to time by NERC.

Base Case shall mean the base case power flow, short circuit, and stability data bases used for the Interconnection Studies by the Operating Agent, or Interconnection Customer or third party consultant.
Breach shall mean the failure of a Party to perform or observe any material term or condition of the Large Generator Interconnection Agreement.

Breaching Party shall mean a Party that is in Breach of the 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.

Capital Improvements shall mean any unit of property added to the JPP including the JPP Interconnection Facilities, the enlargement or betterment of any unit of property constituting a part of the JPP including the JPP Interconnection Facilities, and the replacement of any unit of property constituting a part of the JPP including the JPP Interconnection Facilities, irrespective of whether such replacement constitutes an enlargement or betterment of that which it replaces; which such additions, betterments and replacement in accordance with standard accounting practices used by the JPP would be capitalized.

Clustering shall mean the process whereby a group of one or more Interconnection Requests is studied together, instead of serially, for the purpose of conducting the Interconnection System Impact Study and Network Upgrade(s) Facilities Study.

Cluster System Impact Study 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 within the Cluster Request Window were interconnected without project modifications or system modifications, focusing on the Adverse System Impacts, or to study potential impacts, including but not limited to those identified in the Scoping Meeting as described in the GIP.

Cluster System Impact Study Agreement shall mean the form of agreement contained in Appendix 3.1 of the GIP for conducting the Cluster System Impact Study.

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

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

Common Facilities shall mean those certain facilities of the JPP described in Exhibit Appendix H-1 to this Agreement.

Common Facilities Use Fee shall mean the one-time payment by Interconnection Customer for the non-exclusive use and benefit of the JPP Common Facilities, as described in Article 1412.5 of this Agreement and detailed in Exhibit 2 Appendix H-2 to this 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.

Connections shall mean each termination in the (Insert Name of Substation/Switchyard), as shown in Figure 1 of Appendix A, as such figure may be revised by the Operating Agent from time to time in accordance with this Agreement to accurately reflect the then-current terminations in the (Insert Name of Substation/Switchyard).

Cost Responsibility Ratio ("CRR"): The is the ratio of responsibility for costs allocated to the Interconnection Customer and detailed in Exhibit 5 Appendix I to this Agreement.

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

Critical Energy Infrastructure Information shall mean specific engineering, vulnerability, or detailed design information about proposed or existing critical infrastructure that: (a) relates details about the production, generation, transportation, transmission, or distribution of energy; (b) could be useful to a person in planning an attack on critical infrastructure; (c) is exempt from mandatory disclosure under the Freedom of Information Act, 5 U.S.C. § 552; and (d) does not simply give the general location of the critical infrastructure.

Default shall mean the failure of a Breaching Party to cure its Breach in accordance with Article 19 of the Large Generator Interconnection Agreement.

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

Distribution System shall mean any Joint Participant’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 any Joint Participant’s Distribution System at or beyond the Point of Interconnection to facilitate interconnection of the Generating Facility and render the transmission service necessary to affect 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 Large Generator Interconnection Agreement becomes effective upon execution by the Parties subject to acceptance by FERC as appropriate, if applicable.
Electric Storage Resource shall mean a resource capable of receiving electric energy from the grid or onsite generation, and storing it for later injection of electric energy back to the grid.

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 Joint Participant or Operating Agent, is imminently likely (as determined in a non-discriminatory manner) to cause a material adverse effect on the security of, or damage to a Joint Participant’s Transmission System, the JPP Interconnection Facilities or the electric systems of others to which the JPP 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 Large Generator Interconnection Agreement to possess black start capability.

Engineering & Operating Committee (E&O Committee) shall mean the committee that has the authority organized pursuant to the JPP governing agreement to approve an Interconnection Request for the JPP documents.

Engineering & Procurement (E&P), and Construction Agreement (EPC Agreement) shall mean an agreement that authorizes the Joint Participants Operating Agent to begin engineering and procurement of long lead-time items necessary for the establishment of the interconnection in order to advance the implementation of the Interconnection Request.

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

Existing Generating Facility shall mean a Generating Facility that is currently in-service or a Generating Facility with an unsuspended Generation Interconnection Agreement.


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 of electricity identified in the Interconnection Request, generating facility as described in Appendix C to this Agreement 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 at the Point of Interconnection, where it includes multiple energy production devices.

Generating Facility Modification shall mean modification to the Existing Generating Facility, including comparable replacement of only a portion of the equipment at the Existing Generating Facility.

Generation Interconnection Procedures (GIP) shall mean SRP’s Standard Generator Interconnection Procedures.

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, including those practices as required by the Federal Power Act section 215(a)(4).

Governmental Authority shall mean any federal, state, local or other governmental regulatory or administrative agency or its staff, 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, Joint Participants, Operating Agent, 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 JPP Interconnection Facilities to obtain will be energized and back feed power will be available to the Interconnection Customer.

Interconnection Customer shall mean any entity, including any Joint Participant or any of the Affiliates or subsidiaries thereof, or representative of an Existing Generating Facility, that proposes to interconnect its Generating Facility or Replacement Generating Facility with the JPP.

Interconnection Customer’s Interconnection Facilities shall mean all facilities and equipment, as identified in Appendix A of the Large Generator Interconnection to this
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 JPP. Interconnection Customer’s Interconnection Facilities are sole use facilities.

**Interconnection Facilities** shall mean the JPP 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 JPP. Interconnection Facilities are sole use facilities and shall not include Distribution Upgrade(s), Stand Alone Network Upgrade(s), or Network Upgrade(s).

**Interconnection Facilities Study** shall mean a study conducted by the Interconnection Customer, JPP, Operating Agent or a third party consultant to determine a list of facilities (including JPP Interconnection Facilities and Network Upgrades as identified in the Interconnection System Impact Study), the cost of those facilities, and the time required to interconnect the Generating Facility with the JPP. The scope of the study is defined in Article 8 of the Large Generator Interconnection Procedures.

**Interconnection Facilities Study Agreement(s)** shall mean the form of agreement contained in Appendix 4 of the Large Generator Interconnection Procedures for conducting the Interconnection Facilities Study and the Network Upgrade(s) Facilities Study.

**Interconnection Feasibility Study** shall mean a preliminary evaluation of the system impact and cost of interconnecting the Generating Facility to the JPP, the scope of which is described in Article 6 of the Large Generator Interconnection Procedures.

**Interconnection Feasibility Study Agreement** shall mean the form of agreement contained in Appendix 2 of the Large Generator Interconnection Procedures for conducting the Interconnection Feasibility Study.

**Interconnection Request** shall mean an Interconnection Customer’s request, in the form of Appendix 1 to the Large Generator Interconnection Procedures GIP, 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 JPP.

**Interconnection Service** shall mean the service provided by the JPP associated with interconnecting the Interconnection Customer’s Generating Facility to the JPP and enabling the JPP to receive electric energy and capacity from the Generating Facility at the Point of Interconnection, pursuant to the terms of the Large Generator Interconnection Agreement. Interconnection Service does not convey transmission service.

**Interconnection Study** shall mean any of the following studies: the Interconnection Feasibility Study, the Interconnection Cluster System Impact Study, the Network Upgrade(s) Facilities Study, the Point of Interconnection Facilities Study, the Transitional Facilities Study, the Transitional System Impact Study, the Replacement Impact Study, the Reliability Assessment Study and the Generator Replacement Interconnection Facilities Study, described in the Large Generator Interconnection Procedures GIP.
**Inverter-Based Resource** shall mean any technology that requires an inverter to convert direct current (DC) electricity into alternating current (AC) electricity and is directly connected to the bulk power system. An Inverter-Based Resource may be a Generating Facility and/or Electric Storage Resource.

**Interconnection System Impact Study** shall mean an engineering study that evaluates the impact of the proposed interconnection on the safety and reliability of JPP and, if applicable, an Affected System. The study shall identify and detail the system impacts that would result if the Generating Facility were interconnected without project modifications or system modifications, focusing on the Adverse System Impacts identified in the Interconnection Feasibility Study, or to study potential impacts, including but not limited to those identified in the Scoping Meeting as described in the Large Generator Interconnection Procedures.

**Interconnection System Impact Study Agreement** shall mean the form of agreement contained in Appendix 3 of the Large Generator Interconnection Procedures for conducting the Interconnection System Impact Study.

**IRS** shall mean the Internal Revenue Service.

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

**Joint Participation Project (JPP)** shall mean the Southwest Valley 500 kV Project as described in the Development and Operating Agreement, as amended from time to time.

**Joint Participant Project Interconnection Facilities (JPP Interconnection Facilities)** shall mean all facilities and equipment owned, controlled, or operated by the JPP from Joint Participants from the point of [Insert Name of Substation/Switchyard] side of the Point of Change of Ownership to the Point of Interconnection as identified in Appendix A to this Large Generator Interconnection Agreement, including any modifications, additions or upgrades to such facilities and equipment. JPP Interconnection Facilities are sole use facilities and shall not include Distribution Upgrade(s), Stand Alone Network Upgrade(s) or Network Upgrade(s).

**Joint Participant(s)** shall mean the owners of the JPP as defined above, individually or as a group of any one or more, pursuant to the Southwest Valley 500 kV Project Development and Operating Agreement, dated May 6, 2002, as amended from time to time. Joint Participant(s) include the owner(s) designated as the entity(ies) responsible for managing operations, for purposes herein referred to as “Operating Agent(s).”

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

- **Large Generation Interconnection Agreement (LGIA)** shall mean this Southwest Valley 500 kV Project Large Generation Interconnection Agreement.
- **Large Generation Interconnection Procedures (LGIP)** shall mean the Southwest Valley 500 kV Project Large Generator Interconnection Procedures.
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 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: (1) modification to an Interconnection Request in the Queue that have a material impact on the cost or timing of any Interconnection Request with a later queue priority date or equal Queue Position; or (2) a planned modification to an Existing Generating Facility that is undergoing evaluation for a Generating Facility Modification or Generation Replacement, and that has a material impact on the Transmission System, as compared to the impacts of the Existing Generating Facility prior to the modification or replacement. The evaluation may consist of various analyses, including but not limited to, power flow, transient and post-transient stability, power factor, and a short circuit analysis.

Maximum Capacity shall mean the maximum megawatt capacity that the Generating Facility will generate at the Point of Interconnection as verified by the Operating Agent.

Metering Equipment shall mean all metering equipment installed or to be installed at or near the Generating Facility pursuant to the 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.

Mitigation Facility Fee shall mean the fee to be paid by the Interconnection Customer as determined by the Operating Agent in accordance with Appendix K to this Agreement.

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

Network Upgrade(s) shall mean the additions, modifications, and upgrades to the JPP or a Joint Participant’s Transmission System required at or beyond the point at which the Interconnection Facilities connect to the JPP to accommodate the interconnection of the Large Generating Facility to the JPP.

Network Upgrade() Facilities Study shall mean a study conducted by the Transmission Provider or its third party consultant to determine a list of facilities required to implement Network Upgrade(s) as identified in the Cluster System Impact Study, the cost of those Network Upgrade(), and the time required to implement those Network Upgrade(s). The scope of the study is defined in Section 8 of the GIP.

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

Open Access Same-Time Information System (OASIS) shall mean the information posted on the internet as maintained by transmission providers in accordance with FERC regulations as appropriate.
Operating Agent(s) shall mean the Joint Participant(s) designated by the Joint Participants to be responsible for operating work and capital improvements for the JPP.

Optional Interconnection Study shall mean a sensitivity analysis based on assumptions specified by the Interconnection Customer in the Optional Interconnection Study Agreement.

Optional Interconnection Study Agreement shall mean the form of agreement contained in Appendix 5 of the Large Generator Interconnection Procedures for conducting the Optional Interconnection Study.

Party or Parties shall mean Joint Participants, including Operating Agent, Interconnection Customer or any combination of the above.

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

Point of Interconnection (POI) shall mean the point, as set forth in Appendix A to the Large Generator Interconnection Agreement, where the Interconnection Facilities connect to the JPP.

Point of Interconnection Facilities Study shall mean a study conducted by the Operating Agent or its third party consultant to determine a list of facilities (including JPP Interconnection Facilities), the cost of those facilities and the time required to interconnect the Generating Facility with the JPP. The scope of the study is defined in Section 8 of the GIP.

Queue Position shall mean the order of a valid Interconnection Request, relative to all other pending valid Interconnection Requests, that is established for the JPP based upon the date and time of receipt of the valid Interconnection Request by the Operating Agent that Interconnection Customer satisfies all of the requirements of Section 3.3.1 of the GIP.

Reasonable Efforts shall mean, with respect to an action required to be attempted or taken by a Party under the 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.

Requested In-Service Date shall mean the Interconnection Customer’s requested Initial Service Date.

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

Requested Initial Synchronization Date shall mean the Interconnection Customer’s requested Initial Synchronization Date.
**Requested Maximum Capacity** shall mean the Interconnection Customer’s requested total Maximum Capacity at the Point of Interconnection.

**Re-Study(ies)** shall mean the partial or complete reassessment of an Interconnection Study. The results of a Re-study(ies) supersede and replace in whole or in part the results of the preceding Interconnection Study.

**Scoping Meeting** shall mean the meeting between representatives of the Interconnection Customer(s) and Operating Agent 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 Point of Interconnection.

**Seven Year Queue Limit** shall mean that date seven (7) years from the Interconnection Customer’s Queue Position date, upon which the Generating Facility is fixed at its Maximum Capacity or the then-current amount of capacity.

**Shared Network Upgrade(s)** shall mean a Network Upgrade(s) that has been assigned to an Interconnection Customer(s) and is subsequently identified as necessary to accommodate the interconnection of the Generating Facility of an Interconnection Customer(s) in a later Cluster and meets the requirements pursuant to the process outlined in Section 5.3 of the GIP and SRP’s Business Practice(s) posted on OASIS.

**Site Control** shall mean the land right to develop, construct, operate and maintain the Generating Facility or the land right to develop, construct, operate and maintain the Generating Facility and Interconnection Customer’s Interconnection Facilities in accordance with the GIP and SRP’s Business Practice posted on OASIS.

**SRP** shall mean Salt River Project Agricultural Improvement and Power District as a Joint Participant and Operating Agent for the JPP.

**SRP Business Practice(s)** shall mean one or more business practices of SRP as posted on OASIS.

**Stand Alone Network Upgrade(s)** shall mean Network Upgrade(s) that are not part of an Affected System that an Interconnection Customer may construct without affecting day-to-day operations of the JPP during their construction. Both the Joint Participants and the Interconnection Customer must agree as to what constitutes Stand Alone Network Upgrade(s) and identify them in Appendix A to the Large Generator Interconnection Agreement. If the Joint Participants and Interconnection Customer disagree about whether a particular Network Upgrade(s) is a Stand Alone Network Upgrade(s), the Operating Agent must provide the Interconnection Customer a written technical explanation outlining why the Joint Participants do not consider the Network Upgrade(s) to be a Stand Alone Network Upgrade(s) within fifteen (15) Business Days of its determination.

**Surplus Interconnection Service** shall mean any unneeded portion of Interconnection Service established in a 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 JPP from faults or other electrical disturbances occurring at the Generating Facility and/or (2) the Generating Facility from faults or other electrical system disturbances occurring on the JPP or on other delivery systems or other generating systems to which the JPP is directly connected.

**Transmission System** shall mean the facilities owned, controlled or operated by any entity(ies) that are used to provide transmission service.

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

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

**WECC** is the Western Electric Coordinating Council or its successor organization.

**Article 2. Effective Date, Term, and Termination.**

2.1. **Effective Date.**

This LGIA Agreement shall become effective upon execution by the Parties subject to acceptance by FERC, if applicable. Those Joint Participants who are FERC-jurisdictional shall promptly file this LGIA Agreement with FERC upon execution in accordance with Article 3.1 of this Agreement, if required.

2.2. **Term of Agreement.**

This LGIA Agreement shall remain in effect unless and until terminated as provided for in Article 2.3 herein.

2.3. **Termination Procedures.**

2.3.1. **Written Notice.**

This LGIA Agreement shall terminate upon the first of the following events to occur: (i) the termination of the Southwest Valley 500 kV Project Development and Operating Agreement; (ii) written agreement of all Parties to terminate this Agreement; (iii) termination of this Agreement pursuant to Article 22 (Default) herein of this Agreement; or—(iv) upon no less than ninety (90) Calendar Days advance written notice of termination from Interconnection Customer to Operating Agent; or (v) by Operating Agent after the Generating Facility permanently ceases Commercial Operation. For purposes of the foregoing, the Southwest Valley 500 kV Project this Article 2.3 the Development and Operating Agreement shall not be deemed to have terminated at any time when (i) the JPP is being operated in substantially the same manner as on the Interconnection Facilities In-Service Date and (ii) an agreement pertaining to the operation of the JPP is in effect among...
the Joint Participants on substantially the same terms as on the Interconnection Facilities In-Service Date. Notwithstanding the foregoing, this Agreement shall not be terminated if the Interconnection Customer has been approved for replacing or modifying its Generating Facility per Section 3.11 of the GIP until the Agreement associated with the Replacement Facility is in effect.

2.3.2. Default.

Prior to the termination of this Agreement by termination of the Development and Operating Agreement, the Joint Participants agree to negotiate in good faith with Interconnection Customer and to proceed with due diligence to develop a replacement agreement which provides similar benefits to the Parties under substantially the same terms and conditions as this Agreement.

2.3.3. Compliance with Applicable Laws and Regulations.

Notwithstanding Article 2.3 Articles 2.3.1 and 2.3.2, no termination shall become effective until the Parties have complied with all Applicable Laws and Regulations applicable to such termination, including, if necessary, the filing with FERC of a notice of termination of this Agreement, which notice has been accepted for filing by FERC.

2.4. Termination Costs.

2.5 Termination Costs. If a Party elects to terminate this Agreement pursuant to Article 2.3 above, each Party shall pay all costs incurred (including any cancellation costs relating to orders or contracts for Interconnection Facilities and equipment) or charges assessed by the other Party, as of the date of the other Party's receipt of such notice of termination, that are the responsibility of the Terminating Party under this LGIA. In the event of termination by a Party, the Parties shall use commercially Reasonable Efforts to mitigate the costs, damages and charges arising as a consequence of termination. Upon termination of this LGIA:

2.5.1 With respect to any portion of JPP Interconnection Facilities that have not yet been constructed or installed, Operating Agent shall to the extent possible and with Interconnection Customer’s authorization cancel any pending orders of, or return, any materials or equipment for, or contracts for construction of such facilities; provided that in the event Interconnection Customer elects not to authorize such cancellation, Interconnection Customer shall assume all payment obligations with respect to such materials, equipment, and contracts, and Operating Agent shall deliver such material and equipment, and, if necessary, assign such contracts, to Interconnection Customer as soon as practicable, at Interconnection Customer’s expense. To the extent that Interconnection Customer has already paid Operating Agent for any or all such costs of materials or equipment not taken by Interconnection Customer, Operating Agent shall promptly refund such amounts to Interconnection Customer, less any costs, including
penalties incurred by Operating Agent to cancel any pending orders of or return such materials, equipment, or contracts.

If the Interconnection Customer terminates this LGIA Agreement, it shall be responsible for all costs incurred in association with such interconnection, including any cancellation costs relating to orders or contracts for Interconnection Facilities and equipment, and other expenses including any Network Upgrades for which Operating Agent has incurred expenses and has not been reimbursed by Interconnection Customer.

2.4.2. Operating Agent may, at its option, retain any portion of such materials, equipment, or facilities that Interconnection Customer chooses not to accept delivery of, in which case Operating Agent shall be responsible for all costs associated with procuring such materials, equipment, or facilities.

2.4.3. With respect to any portion of the Interconnection Facilities, and any other facilities already installed or constructed pursuant to the terms of this LGIA Agreement, Interconnection Customer shall be responsible for all costs associated with the removal, relocation or other disposition or retirement of such materials, equipment, or facilities.

2.5. Disconnection.

2.6 Disconnection. Upon termination of this LGIA Agreement, the Parties will take all appropriate steps to disconnect the Large Generating Facility from the JPP Transmission System. All costs required to effectuate such disconnection shall be borne by the terminating Party, unless such termination resulted from the JPP’s non-terminating Party’s Default of this LGIA or the JPP Agreement or the non-terminating Party otherwise is responsible for these costs under this LGIA Agreement.

2.7 Survival. This LGIA Agreement shall continue in effect after termination to the extent necessary to provide for final billings and payments and for costs incurred hereunder, including billings and payments pursuant to this LGIA Agreement; to permit the determination and enforcement of liability and indemnification obligations arising from acts or events that occurred while this LGIA Agreement was in effect; and to permit each Party to have access to the lands of the other Party pursuant to this LGIA Agreement or other applicable agreements, to disconnect, remove or salvage its own facilities and equipment.

Article 3. Regulatory Filings.

3.1 Filing. Joint Participants, individually or collectively, each FERC-jurisdictional Party shall file this LGIA Agreement (and any amendment hereto) with the appropriate Governmental Authority, if required. If no Joint Participant is required to file this LGIA (and any amendment hereto) with a Governmental Authority with which Interconnection Customer is required to make such a filing, Interconnection Customer may file this Agreement (and
any amendment hereto) on its own behalf. The JPP or Interconnection Customer may request that any information so provided be subject to the confidentiality provisions of Article 24, 27 herein. The Parties shall reasonably cooperate with respect to any such filing and provide any information reasonably requested by any Party as needed to comply with applicable regulatory requirements.

Article 4. Scope of Service

4.1 Provision of Service. JPP

The Joint Participants shall provide Interconnection Service for the Large Generating Facility at the Point of Interconnection. Interconnection Service shall not exceed the Maximum Capacity as specified in Appendix C to this Agreement.

4.2 Performance Standards.

Each Party shall perform all of its obligations under this Agreement in accordance with Applicable Laws and Regulations, Applicable Reliability Standards, and Good Utility Practice, and to the extent a Party is required or prevented or limited in taking any action by such regulations and standards, such Party shall not be deemed to be in Breach of this Agreement for its compliance therewith.

4.3 No Transmission Delivery Service.

The execution of this Agreement does not constitute a request for, nor the provision of, any transmission delivery service under any Joint Participant’s open access transmission tariff, and does not convey any right to deliver electricity to any specific customer or Point of Delivery.

4.4 Interconnection Customer Provided Services.

The services provided by Interconnection Customer under this Agreement are set forth in Article 9.6 and Article 13.5.1, Section 13.6 and Section 15.5.1. Interconnection Customer shall be paid for such services in accordance with Article 11.6, Section 13.6.

Article 5. Interconnection Facilities Engineering, Procurement, and Construction

5.1 Options.

5.1 Dates. Parties shall mutually agree upon the unless otherwise mutually agreed to between the Parties, Interconnection Customer shall select the Requested In-Service Date, Requested Initial Synchronization Date, and Commercial Operation Date, and dates for the completion of JPP Interconnection Facilities and Network Upgrades as either the Standard Option or Alternate Option set forth below, and such dates and selected option shall be set forth in Appendices A, B and E, with such agreement not unreasonably withheld, to this Agreement. If the dates designated by Interconnection Customer are not acceptable to Operating Agent, Operating Agent shall so notify Interconnection Customer within thirty (30) Calendar Days. Upon
receipt of the notification that Interconnection Customer’s designated dates are not acceptable, the Interconnection Customer shall notify Operating Agent within thirty (30) Calendar Days whether it elects to exercise the Option to Build if it has not already elected to exercise the Option to Build.

5.1.1. Standard Option.

5.2 JPP Interconnection Facilities. JPP Operating Agent shall design, procure, and construct JPP’s Interconnection Facilities and Network Upgrade(s), using Reasonable Efforts to complete such JPP Interconnection Facilities and Network Upgrade(s) by the dates set forth in Appendix B – Milestones. JPP to this Agreement, Operating Agent shall not be required to undertake any action which is inconsistent with its standard safety practices, its material and equipment specifications, its design criteria and construction procedures, its labor agreements, and Applicable Laws and Regulations. In the event JPP the Operating Agent reasonably expects that it will not be able to complete JPP Interconnection Facilities and Network Upgrade(s) by the specified dates, JPP Operating Agent shall promptly provide written notice to Interconnection Customer and shall undertake Reasonable Efforts to meet the earliest dates thereafter.

5.1.2. Alternate Option.

If the dates designated by Interconnection Customer are acceptable to Joint Participants, Operating Agent shall so notify Interconnection Customer within thirty (30) Calendar Days, and shall assume responsibility for the design, procurement and construction of JPP Interconnection Facilities by the designated dates.

5.1.3. Option to Build.

Interconnection Customer shall have the option to assume responsibility for the design, procurement and construction of a portion of the JPP’s Interconnection Facilities as described in the SRP Business Practice and Stand Alone Network Upgrade(s) on the dates specified in Article 5.1.2. Operating Agent and Interconnection Customer must agree as to what constitutes Stand Alone Network Upgrade(s) and identify such Stand Alone Network Upgrade(s) in Appendix A to this Agreement. Except for Stand Alone Network Upgrade(s) in Appendix A to this Agreement, Interconnection Customer shall have no right to construct Network Upgrade(s) under this option. Operating Agent and Interconnection Customer must agree as to what constitutes Stand Alone Network Upgrade(s) and identify such Stand Alone Network Upgrade(s) in Appendix A to this Agreement. Except for Stand Alone Network Upgrade(s), Interconnection customer shall have no right to construct Network Upgrade(s) under this option.

5.1.4. Negotiated Option.

If the dates designated by Interconnection Customer are not acceptable to Joint Participants, the Parties may in good faith attempt to negotiate terms and conditions (including revision of the specified dates, the provision of incentives, or the procurement and construction of all facilities other than JPP’s Interconnection
Facilities and Stand Alone Network Upgrade(s) if the Interconnection Customer elects to exercise the Option to Build under Article 5.1.3). If the Parties are unable to reach agreement on such terms and conditions, then pursuant to Article 5.1.1, Operating Agent shall assume responsibility for the design, procurement and construction of all facilities other than JPP’s Interconnection Facilities and Stand Alone Network Upgrade(s) if the Interconnection Customer elects to exercise the Option to Build.

5.2. General Conditions Applicable to Option to Build.

As described further in SRP Business Practices posted on OASIS, if Interconnection Customer assumes responsibility for the design, procurement and construction of a portion of the JPP’s Interconnection Facilities:

1. Interconnection Customer shall engineer, procure equipment, and construct JPP’s Interconnection Facilities and Stand Alone Network Upgrade(s) (or portions thereof) using Good Utility Practice, approved equipment vendors, and using standards and specifications provided by Operating Agent;

2. Interconnection Customer’s engineering, procurement and construction of JPP’s Interconnection Facilities and Stand Alone Network Upgrade(s) shall comply with all requirements of law to which Operating Agent would be subject in the engineering, procurement or construction of JPP Interconnection Facilities and Stand Alone Network Upgrade(s);

3. Joint Participants shall review and approve the engineering design, equipment acceptance tests, and the construction of JPP Interconnection Facilities and Stand Alone Network Upgrade(s);

4. Prior to commencement of construction, Interconnection Customer shall provide to Operating Agent a schedule for construction of JPP’s Interconnection Facilities and Stand Alone Network Upgrade(s), and shall promptly respond to requests for information from Operating Agent;

5. At any time during construction, Operating Agent shall have the right to gain unrestricted access to JPP’s Interconnection Facilities and Stand Alone Network Upgrade(s) and to conduct inspections of the same;

6. At any time during construction, should any phase of the engineering, equipment procurement, or construction of JPP’s Interconnection Facilities and Stand Alone Network Upgrade(s) not meet the standards and specifications provided by Operating Agent, Interconnection Customer shall be obligated to remedy deficiencies in that portion of JPP’s Interconnection Facilities and Stand Alone Network Upgrade(s) before continuing any further activity;

7. Interconnection Customer shall indemnify Joint Participants for claims arising from Interconnection Customer’s construction of JPP’s Interconnection Facilities and Stand Alone Network Upgrade(s) under the terms and procedures applicable to Article 23 of this Agreement;
8. Interconnection Customer shall transfer control of JPP’s Interconnection Facilities and Stand Alone Network Upgrade(s) to the Joint Participants;

9. Unless Parties otherwise agree, Interconnection Customer shall transfer ownership of JPP’s Interconnection Facilities and Stand Alone Network Upgrade(s) to Joint Participants;

10. Joint Participants shall approve and accept for operation and maintenance JPP’s Interconnection Facilities and Stand Alone Network Upgrade(s) to the extent engineered, procured, and constructed in accordance with this Article 5.2;

11. Interconnection Customer shall deliver to Operating Agent “as-built” drawings, information, and any other documents that are reasonably required by Joint Participants to assure that the Interconnection Facilities and Stand Alone Network Upgrade(s) are built to the standards and specifications required by Joint Participants; and

12. If Interconnection Customer exercises the Option to Build pursuant to Article 5.1.3, Interconnection Customer shall pay Operating Agent the actual amount of costs for Operating Agent to execute the responsibilities enumerated to Operating Agent under this Article 5.2.

5.3. Additional Contracts.

Joint Participants and Interconnection Customer may enter into additional contracts as appropriate for activities related to engineering, procurement and construction of Interconnection Facilities and Network Upgrade(s).

5.4. Power System Stabilizers.

The Interconnection Customer shall procure, install, maintain and operate power system stabilizers in accordance with the guidelines and procedures established by the Applicable Reliability Standards. Operating Agent reserves the right to reasonably establish minimum acceptable settings for any installed power system stabilizers, subject to the design and operating limitations of the Generating Facility. If the Generating Facility’s power system stabilizers are removed from service or not capable of automatic operation, Interconnection Customer shall immediately notify the Operating Agent’s system operator, or its designated representative.

5.5. Equipment Procurement.

5.2.1 Equipment Procurement. If responsibility for construction of JPP’s Interconnection Facilities or Network Upgrade(s) is to be borne by Operating Agent, then Operating Agent shall commence design of JPP Interconnection Facilities or Network Upgrade(s) and procure necessary equipment as soon as practicable after all of the following conditions are satisfied, unless the Parties otherwise agree in writing:

5.5.1. Operating Agent has completed all required studies pursuant to the GIP;
5.2.1.1 The Interconnection Facilities Study, if performed, has been completed pursuant to the Interconnection Facilities Study Agreement;

5.2.1.2 JPP Operating Agent has received written authorization to proceed with design and procurement from Interconnection Customer by the date specified in Appendix B, Milestones to this Agreement or in the EPC Agreement; and

5.2.1.3 Interconnection Customer has provided security to JPP Operating Agent in accordance with Article 13.5 by the dates specified in Appendix B, Milestones to this Agreement or in the EPC Agreement.

5.3 Construction Commencement. JPP

Operating Agent shall commence construction of JPP Interconnection Facilities and Network Upgrades for which it is responsible as soon as practicable after the following additional conditions are satisfied:

5.3.1 Approval of the appropriate Governmental Authority has been obtained for any facilities requiring regulatory approval;

5.3.2 Necessary real property rights and rights-of-way have been obtained, to the extent required for the construction of a discrete aspect of JPP Interconnection Facilities and Network Upgrades;

5.3.3 JPP Operating Agent has received written authorization to proceed with construction from Interconnection Customer by the date specified in Appendix B, Milestones to this Agreement; and

5.3.4 Interconnection Customer has provided security to JPP Operating Agent in accordance with Article 13.5 by the dates specified in Appendix B, Milestones to this Agreement.

5.7 Interconnection Customer's Interconnection Facilities.

Interconnection Customer shall, at its expense, design, procure, construct, own and install Interconnection Customer's Interconnection Facilities, as set forth in Appendix A to this Agreement.

5.7.1 Interconnection Customer’s Interconnection Facilities Specifications.

Interconnection Customer shall submit initial specifications for the Interconnection Customer’s Interconnection Facilities, including System Protection Facilities, to Operating Agent at least one hundred eighty (180) Calendar Days prior to the Requested In-Service Date; and final specifications for review and comment at least ninety (90) Calendar Days prior to the Requested Initial Synchronization Date. Operating Agent shall review such specifications to ensure that Interconnection Customer’s Interconnection Facilities are compatible with the technical specifications, operational control, and safety requirements of Operating
Agent and comment on such specifications within thirty (30) Calendar Days of Interconnection Customer’s submission. All specifications provided hereunder shall be deemed confidential.

5.7.2. Operating Agent’s Review.

Operating Agent’s review of Interconnection Customer’s final specifications shall not be construed as confirming, endorsing, or providing a warranty as to the design, fitness, safety, durability or reliability of the Generating Facility, or Interconnection Customer’s Interconnection Facilities. Interconnection Customer shall make such changes to Interconnection Customers Interconnection Facilities as may reasonably be required by Operating Agent, in accordance with Good Utility Practice, to ensure that Interconnection Customer’s Interconnection Facilities are compatible with the technical specifications, operational control, and safety requirements of the JPP.

5.7.3. JPP Interconnection Customer’s Interconnection Facilities Construction.

Interconnection Customer’s Interconnection Facilities shall be designed and constructed in accordance with Good Utility Practice. Within one hundred twenty (120) Calendar Days after the Commercial Operation Date, unless the Parties agree on another mutually acceptable deadline, Interconnection Customer shall deliver to Operating Agent “as-built” drawings, information and documents for Interconnection Customer’s Interconnection Facilities, such as: a one-line diagram, a site plan showing the Generating Facility and Interconnection Customer’s Interconnection Facilities, plan and elevation drawings showing the layout of Interconnection Customer’s Interconnection Facilities, a relay functional diagram, relaying AC and DC schematic wiring diagrams and relay settings for all facilities associated with Interconnection Customer’s step-up transformers, the facilities connecting the Generating Facility to the step-up transformers and Interconnection Customer’s Interconnection Facilities, and the impedances (determined by factory tests) for the associated step-up transformers and the Generating Facility. The Interconnection Customer shall provide Operating Agent with specifications for the excitation system, automatic voltage regulator, Generating Facility control and protection settings, transformer tap settings, and communications, if applicable.

5.8. JPP Interconnection Facilities Construction.

JPP Interconnection Facilities shall be designed and constructed in accordance with Good Utility Practice. Upon request, within one hundred twenty (120) Calendar Days after the Commercial Operation Date, unless the Parties agree on another mutually acceptable deadline, Operating Agent shall deliver to Interconnection Customer records of installed equipment (“as-built”) drawings, information and documents for JPP Interconnection Facilities, including such appropriate drawings and relay diagrams as are customarily provided under Good Utility Practice and Applicable Laws and Regulations.

5.5 Control of JPP. Joint Participant’s will obtain control of JPP’s Interconnection Facilities and Stand Alone Network Upgrades. JPP will retain operational control of JPP.
Interconnection Facilities and Stand Alone Network Upgrades upon completion of such facilities.

5.9  5.6 Work Progress.

The Parties will keep each other advised periodically as to the progress of their respective design, procurement and construction efforts. Either Party may, at any time, request a progress report from the other Party. If, at any time, Interconnection Customer determines that the completion of JPP Interconnection Facilities will not be required until after the specified Requested In-Service Date, Interconnection Customer will provide written notice to JPP Operating Agent of such later date upon which the completion of JPP Interconnection Facilities will be required.

5.10  5.7 Information Exchange.

As soon as reasonably practicable after the Effective Date, the Parties shall exchange information regarding the design and compatibility of the Parties’ Interconnection Facilities and compatibility of the Interconnection Facilities with the JPP, and shall work diligently and in good faith to make any necessary design changes.

5.11  5.8 Limited Operation.

If any of JPP Interconnection Facilities or Network Upgrade(s) are not reasonably expected to be completed prior to the Commercial Operation Requested Initial Synchronization Date of the Large Generating Facility, the Joint Participants or Operating Agent shall, upon the request and at the expense of Interconnection Customer, perform operating studies on a timely basis to determine the extent to which the Large Generating Facility and Interconnection Customer’s Interconnection Facilities may operate prior to the completion of JPP Interconnection Facilities or Network Upgrade(s) consistent with Applicable Laws and Regulations, Applicable Reliability Standards, Good Utility Practice, and this LGIA. JPP Agreement. Operating Agent shall permit Interconnection Customer to operate the Large Generating Facility and Interconnection Customer’s Interconnection Facilities in accordance with the results of such studies.

5.12  Land of Other Property Owners.

If any part of JPP Interconnection Facilities and/or Network Upgrade(s) is to be installed on property owned by persons other than Interconnection Customer or Joint Participants, Operating Agent shall at Interconnection Customer’s expense use efforts, similar in nature and extent to those that it typically undertakes on its own behalf or on behalf of its Affiliates, including use of its eminent domain authority, and to the extent consistent with state law to procure from such persons any rights of use, licenses, rights of way and easements that are necessary to construct, operate, maintain, test, inspect, replace or remove JPP Interconnection Facilities and/or Network Upgrade(s) upon such property.

5.13  Access Rights

5.9 Interconnection Customer’s Interconnection Facilities (‘ICIF’). Interconnection Customer shall, at its expense, design, procure, construct, own and
install the ICIF, as set forth in Appendix A, Interconnection Facilities, Network Upgrades and Distribution Upgrades.

5.9.1 Interconnection Customer’s Interconnection Facility Specifications. Interconnection Customer shall submit initial specifications for the ICIF, including System Protection Facilities, to Operating Agent at least one hundred eighty (180) Calendar Days prior to the Initial Synchronization Date; and final specifications for review and comment at least ninety (90) Calendar Days prior to the Initial Synchronization Date. Operating Agent shall review such specifications to ensure that the ICIF are compatible with the technical specifications, operational control, and safety requirements of JPP and comment on such specifications within thirty (30) Calendar Days of Interconnection Customer’s submission. All specifications provided hereunder shall be deemed confidential.

- Notwithstanding the forgoing, the Interconnection Customer shall procure, install, maintain and operate System Protection Facilities in accordance with the guidelines and procedures established by the Applicable Laws and Regulations. JPP reserves the right to reasonably establish minimum acceptable settings for any installed System Protection Facilities, subject to the design and operating limitations of the Large Generating Facility. If the Large Generating Facility’s System Protection Facilities are removed from service or not capable of automatic operation, Interconnection Customer shall immediately notify the Operating Agent. The requirements of this paragraph shall not apply to wind generators.

5.9.2 JPP’s Review. JPP’s review of Interconnection Customer’s final specifications shall not be construed as confirming, endorsing, or providing a warranty as to the design, fitness, safety, durability or reliability of the Large Generating Facility, or the ICIF. Interconnection Customer shall make such changes to the ICIF as may reasonably be required by JPP, in accordance with Good Utility Practice, to ensure that the ICIF are compatible with the technical specifications, operational control, and safety requirements of JPP.

5.9.3 ICIF Construction. The ICIF shall be designed and constructed in accordance with Good Utility Practice. Within one hundred twenty (120) Calendar Days after the Commercial Operation Date, unless the Parties agree on another mutually acceptable deadline, Interconnection Customer shall deliver to Operating Agent records of installed equipment ("as-built") drawings, information and documents for the ICIF, such as: a one-line diagram, a site plan showing the Large Generating Facility and the ICIF, plan and elevation drawings showing the layout of the ICIF, a relay functional diagram, relaying AC and DC schematic wiring diagrams and relay settings for all facilities associated with Interconnection Customer’s step-up transformers, the facilities connecting the Large Generating Facility to the step-up transformers and the ICIF, and the impedances (determined by
factory tests) for the associated step-up transformers and the Large Generating Facility. The Interconnection Customer shall provide Operating Agent with specifications for the excitation system, automatic voltage regulator, Large Generating Facility control and protection settings, transformer tap settings, and communications, if applicable.

5.10 Access Rights. Upon reasonable notice and supervision by a Party, and subject to any required or necessary regulatory approvals, a Party ("Granting Party") shall furnish at no cost to the other Party ("Access Party") any rights of use, licenses, rights of way and easements with respect to lands owned or controlled by the Granting Party, its agents (if allowed under the applicable agency agreement), or any Affiliate, that are necessary to enable the Access Party to obtain ingress and egress to construct, operate, maintain, repair, test (or witness testing), inspect, replace or remove facilities and equipment to: (i) interconnect the Large Generating Facility with the JPP; (ii) operate and maintain the Large Generating Facility and the Interconnection Facilities; and (iii) disconnect or remove the Access Party's facilities and equipment upon termination of this LGIA Agreement. In exercising such licenses, rights of way and easements, the Access Party shall not unreasonably disrupt or interfere with normal operation of the Granting Party's business and shall adhere to the safety rules and procedures established in advance, as may be changed from time to time, by the Granting Party and provided to the Access Party. Such Access Rights shall be subject to modification and relocation by the Joint Participants as described in Article 5.1 of this Agreement and shall each terminate without further act of any Party upon termination of this Agreement. Upon such termination, each grantee under the applicable Access Right shall, at the request of Operating Agent, execute and deliver to the requesting Party in recordable form an instrument evidencing such termination.

5.14 Permits.

5.11 Lands of Other Property Owners. If any part of JPP Interconnection Facilities and/or Network Upgrades is to be installed on property owned by persons other than Interconnection Customer or JPP, JPP shall at Interconnection Customer’s expense use efforts, similar in nature and extent to those that it typically undertakes on its own behalf or on behalf of its Affiliates, including use of its eminent domain authority, and to the extent consistent with state law, as applicable, to procure from such persons any rights of use, licenses, rights of way and easements that are necessary to construct, operate, maintain, test, inspect, replace or remove JPP Interconnection Facilities and/or Network Upgrades upon such property. The Interconnection Customer bears sole responsibility for obtaining all permits, licenses and authorizations required for the requested interconnection, unless otherwise specifically noted in Appendix B to this Agreement.

5.12 Permits. The LGIA shall specify in Appendix B the allocation of the responsibilities of the Operating Agent and Interconnection Customer to obtain all permits, licenses, and authorizations necessary to accomplish the interconnection in compliance with Applicable Laws and Regulations. The Operating Agent and Interconnection Customer shall cooperate with each other in good faith to obtain any such permits, licenses and authorizations. With respect to this paragraph, Operating Agent shall provide, at Interconnection Customer’s expense, permitting
assistance to Interconnection Customer comparable to that provided to any Joint Participant’s own, or an Affiliate’s generation.

5.15. Early Construction of Base Case Facilities.

Interconnection Customer may request JPP Operating Agent to construct, and JPP Operating Agent shall construct, using Reasonable Efforts to accommodate Interconnection Customer’s Requested In-Service Date, all or any portion of any Network Upgrade(s) required for Interconnection Customer to be interconnected to the JPP, with such Network Upgrade(s) being those—which are included in the Base Case of the Interconnection Facilities Study for Interconnection Customer, and which also are required to be constructed for another Interconnection Customer, but where such construction is not scheduled to be completed in time to achieve Interconnection Customer’s Requested In-Service Date.

5.16. Suspension.

5.14 Suspension.—Interconnection Customer reserves the right, upon written notice to Operating Agent, to suspend at any time all work by JPP Operating Agent associated with the construction and installation of JPP Interconnection Facilities and/or Network Upgrade(s) required under this LGIA Agreement with the condition that the JPP shall be left in a safe and reliable condition in accordance with Good Utility Practice and JPP’s Operating Agent’s safety and reliability criteria. In such event, Interconnection Customer shall be responsible for all reasonable and necessary costs which Operating Agent (i) has incurred pursuant to this LGIA Agreement prior to the suspension and (ii) incurs in suspending such work, including any costs incurred to perform such work as may be necessary to ensure the safety of persons and property and the integrity of the JPP during such suspension and, if applicable, any costs incurred in connection with the cancellation or suspension of material, equipment and labor contracts which Operating Agent cannot reasonably avoid; provided, however, that prior to canceling or suspending any such material, equipment or labor contract, Operating Agent shall obtain Interconnection Customer’s authorization to do so.

Operating Agent shall invoice Interconnection Customer for such costs pursuant to Article 17 and shall use due diligence to minimize its costs. In the event Interconnection Customer suspends work by JPP Operating Agent required under this LGIA Agreement pursuant to this Article 5.14, 5.16, and has not requested JPP Operating Agent to recommence the work required under this LGIA Agreement on or before the expiration of three (3) years following commencement of such suspension, this LGIA Agreement shall be deemed terminated. The three-year period shall begin on the date the suspension is requested, or the date of the written notice to Operating Agent, if no effective date is specified.

Notwithstanding the forgoing, nothing in this section supersedes, modifies or tolls the requirements set forth in Section 3.3.2 of the GIP associated with this Agreement. At the end of the Seven Year Queue Limit, the amount of capacity actually in service shall be reflected in Appendix C to this Agreement as the maximum interconnection service allowed.
Article 6. Taxes.

6.1 Interconnection Customer Payments Not Taxable.

The Parties intend that all payments or property transfers made by Interconnection Customer to JPP Joint Participants for the installation of JPP Interconnection Facilities and the Network Upgrades shall be non-taxable, either as contributions to capital, or as an advance, in accordance with the Internal Revenue Code and any applicable state income tax laws and shall not be taxable as contributions in aid of construction or otherwise under the Internal Revenue Code and any applicable state income tax laws, including any applicable laws for Joint Participants which are municipal entities.

6.2 Representations and Covenants.

6.2 Representations and Covenants. In accordance with IRS Notice 2001-82 and IRS Notice 88-129 2016-36, Interconnection Customer represents and covenants that (i) ownership of the electricity generated at the Large Generating Facility will pass to another party prior to the transmission of the electricity on the Transmission System, (ii) for income tax purposes, the amount of any payments and the cost of any property transferred to JPP Joint Participants for JPP Interconnection Facilities will be capitalized by Interconnection Customer as an intangible asset and recovered using the straight-line method over a useful life of twenty (20) years, and (iii) any portion of JPP Interconnection Facilities that is a “dual-use intertie,” within the meaning of IRS Notice 88-129 2016-36, is reasonably expected to carry only a de minimis amount of electricity in the direction of the Large Generating Facility. For this purpose, “de minimis amount” means no more than five (5) percent of the total power flows in both directions, calculated in accordance with the “5 percent test” set forth in IRS Notice 88-129 2016-36. This is not intended to be an exclusive list of the relevant conditions that must be met to conform to IRS requirements for non-taxable treatment.

At JPP’s Operating Agent’s request, Interconnection Customer shall provide JPP Operating Agent with a report from an independent engineer confirming its representation in clause (iii), above. Each Joint Participant represents and covenants that the cost of JPP Interconnection Facilities paid for by Interconnection Customer will have no net effect on the base upon which rates are determined.

6.3 Indemnification for the Cost Consequences of Current Tax Liability Imposed Upon the JPP Joint Participants.

Notwithstanding Article 6.1, Interconnection Customer shall protect, indemnify and hold harmless JPP Joint Participants from the cost consequences of any current tax liability imposed against JPP Joint Participants as the result of payments or property transfers made by Interconnection Customer to JPP Joint Participants under this LGIA Agreement for Interconnection Facilities, as well as any interest and penalties, other than interest and penalties attributable to any delay caused by JPP Operating Agent and Joint Participants.

The JPP Operating Agent shall not include a gross-up for the cost consequences of any current tax liability in the amounts it charges Interconnection Customer under this LGIA Agreement unless (i)
JPP has Joint Participants have determined, in good faith, that the payments or property transfers made by Interconnection Customer to JPP Joint Participants should be reported as income subject to taxation or (ii) any Governmental Authority directs JPP Joint Participants to report payments or property as income subject to taxation including State and local taxes; provided, however, that JPP Operating Agent may require Interconnection Customer to provide security for Interconnection Facilities, in a form reasonably acceptable to the JPP Operating Agent (such as a parental guarantee or a letter of credit), in an amount equal to the cost consequences of any current tax liability under this Article 6. Interconnection Customer shall reimburse the JPP for such costs on a fully grossed-up basis, in accordance with Article 6.4 herein, within thirty (30) Calendar Days of receiving written notification from Operating Agent of the amount due, including detail about how the amount was calculated.

The indemnification obligation shall terminate at the earlier of (1) the expiration of the ten year testing period and the applicable statute of limitation, as it may be extended by JPP Operating Agent upon request of the IRS, to keep these years open for audit or adjustment, or (2) the occurrence of a subsequent taxable event and the payment of any related indemnification obligations as contemplated by this Article 6.

6.4  Tax Gross-Up Amount.

Interconnection Customer’s liability for the cost consequences of any current tax liability under this Article 6 shall be calculated on a fully grossed-up basis. Except as may otherwise be agreed to by the parties, this means that Interconnection Customer will pay JPP Operating Agent, in addition to the amount paid for the Interconnection Facilities and Network Upgrades, an amount equal to (1) the current taxes imposed on JPP (“any Joint Participant (Current Taxes”) on the excess of (a) the gross income realized by JPP any such Joint Participant as a result of payments or property transfers made by Interconnection Customer to JPP under this LGIA Agreement (without regard to any payments under this Article 6) (the “Gross Income Amount”) over (b) the present value of future tax deductions for depreciation that will be available as a result of such payments or property transfers (the “Present Value Depreciation Amount”), plus (2) an additional amount sufficient to permit JPP Joint Participant(s) to receive and retain, after the payment of all Current Taxes, an amount equal to the net amount described in clause (1). Any such payments received by Operating Agent shall be distributed to the affected Joint Participant(s).

For this purpose, for each Joint Participant (i) Current Taxes shall be computed as to the Joint Participant’s share of payments or property transfers received based on JPP’s Joint Participant’s composite federal and state tax rates at the time the payments or property transfers are received and JPP any such Joint Participant will be treated as being subject to tax at the highest marginal rates in effect at that time (the “Current Tax Rate”), and (ii) the Present Value Depreciation Amount shall be computed by discounting JPP Joint Participant(s) anticipated tax depreciation deductions as a result of such payments or property transfers by JPP such Joint Participant’s current weighted average cost of capital. Thus, the formula for calculating Interconnection Customer’s liability to JPP Operating Agent and/or each affected Joint Participant pursuant to this Article 6 can be expressed as follows: (Current Tax Rate x (Gross Income Amount – Present Value of Tax Depreciation))/(1-Current Tax Rate). Interconnection Customer’s estimated tax
liability in the event taxes are imposed shall be stated in Appendix A, Interconnection Facilities, Network Upgrades and Distribution Upgrades to this Agreement.

6.5. —Private Letter Ruling or Change or Clarification of Law.

At Interconnection Customer’s request and expense, Operating Agent any, or all of the Joint Participant(s) shall file with the IRS a request for a private letter ruling as to whether any property transferred or sums paid, or to be paid, by Interconnection Customer to JPP Joint Participant(s) under this LGIA Agreement are subject to federal income taxation. Interconnection Customer will prepare the initial draft of the request for a private letter ruling, and will certify under penalties of perjury that all facts represented in such request are true and accurate to the best of Interconnection Customer’s knowledge. Operating Agent Joint Participant(s) and Interconnection Customer shall cooperate in good faith with respect to the submission of such request.

Operating Agent Joint Participant(s) shall keep Interconnection Customer fully informed of the status of such request for a private letter ruling and, as allowed by law, shall execute either a privacy act waiver or a limited power of attorney, in a form acceptable to the IRS, that authorizes Interconnection Customer to participate in all discussions with the IRS regarding such request for a private letter ruling. Operating Agent Joint Participant(s) shall allow Interconnection Customer to attend all meetings with IRS officials about the request and shall permit Interconnection Customer to prepare the initial drafts of any follow-up letters in connection with the request.

6.6. Subsequent Taxable Events.

If, within ten (10) years from the date on which the relevant JPP Interconnection Facilities are placed in service, (i) Interconnection Customer Breaches the covenants contained in Article 6.2 herein, (ii) a “disqualification event” occurs within the meaning of IRS Notice 88-129 2016-36, or (iii) this LGIA Agreement terminates and JPP retains Joint Participants retain ownership of the Interconnection Facilities and Network Upgrades Upgrade(s), Interconnection Customer shall pay a tax gross-up for the cost consequences of any current tax liability imposed on JPP any Joint Participant, calculated using the methodology described in Article 6.4 herein and in accordance with IRS Notice 90-64 2016-36.

6.7. Contests.

In the event any Governmental Authority determines that JPP any Joint Participant’s receipt of payments or property constitutes income that is subject to taxation, Operating Agent shall, upon notification from such Joint Participant(s), shall notify Interconnection Customer, in writing, within thirty (30) Calendar Days of receiving notification of such determination by a Governmental Authority. Upon the timely written request by Interconnection Customer and at Interconnection Customer’s sole expense, Operating Agent or affected Joint Participant(s), as permissible, may appeal, protest, seek abatement of, or otherwise oppose such determination. Upon Interconnection Customer’s written request and sole expense, Operating Agent or applicable Joint Participant, as permissible, may file a claim for refund with respect to any taxes paid under this Article 6, whether or not it has received such a determination. JPP reserve The affected Joint
Participant(s) reserves the right to make all decisions with regard to the prosecution of such appeal, protest, abatement or other contest, including the selection of counsel and compromise or settlement of the claim, but such Joint Participant(s) through Operating Agent shall keep Interconnection Customer informed, shall consider in good faith suggestions from Interconnection Customer about the conduct of the contest, and shall reasonably permit Interconnection Customer or an Interconnection Customer representative to attend contest proceedings.

Interconnection Customer shall pay to JPP Operating Agent on a periodic basis, as invoiced by Operating Agent, the affected Joint Participant’s documented reasonable costs of prosecuting such appeal, protest, abatement or other contest. At any time during the contest, JPP the affected Joint Participant(s) may agree to a settlement either with Interconnection Customer’s consent or after obtaining written advice from nationally-recognized tax counsel, selected by JPP the affected Joint Participant(s), but reasonably acceptable to Interconnection Customer, that the proposed settlement represents a reasonable settlement given the hazards of litigation. Interconnection Customer’s obligation shall be based on the amount of the settlement agreed to by Interconnection Customer, or if a higher amount, so much of the settlement that is supported by the written advice from nationally-recognized tax counsel selected under the terms of the preceding sentence. The settlement amount shall be calculated on a fully grossed-up basis to cover any related cost consequences of the current tax liability. Any settlement without Interconnection Customer’s consent or such written advice will relieve Interconnection Customer from any obligation to indemnify JPP Joint Participant(s) for the tax at issue in the contest.

6.8 Refund.

In the event that (a) a private letter ruling is issued to JPP the affected Joint Participant(s) which holds that any amount paid or the value of any property transferred by Interconnection Customer to JPP the affected Joint Participant(s) under the terms of this LGIA Agreement is not subject to federal income taxation, (b) any legislative change or administrative announcement, notice, ruling or other determination makes it reasonably clear to JPP Joint Participant(s) in good faith that any amount paid or the value of any property transferred by Interconnection Customer to JPP the affected Joint Participant(s) under the terms of this LGIA Agreement is not taxable to JPP the affected Joint Participant(s), (c) any abatement, appeal, protest, or other contest results in a determination that any payments or transfers made by Interconnection Customer to JPP the affected Joint Participant are not subject to federal income tax, or (d) if JPP receive the affected Joint Participant(s) receives a refund from any taxing authority for any overpayment of tax attributable to any payment or property transfer made by Interconnection Customer to JPP pursuant to this LGIA Agreement, the Joint Participant(s) through Operating Agent shall promptly refund to Interconnection Customer the following:

(i) any payment made by Interconnection Customer under this Article 6 for taxes that is attributable to the amount determined to be non-taxable, together with interest thereon;

(ii) interest on any amounts paid by Interconnection Customer to JPP the affected Joint Participant(s) for such taxes which JPP such Joint Participant did not submit to the taxing authority, calculated in accordance with the methodology set forth in FERC’s regulations at 18 C.F.R. § 35.19a(a)(2)(ii) from the date payment was made by Interconnection Customer to the date such Joint Participant through Operating Agent refunds such payment to Interconnection Customer.
(iii) with respect to any such taxes paid by JPP Joint Participant(s), any refund or credit JPP Joint Participant(s) receives or to which it may be entitled from any Governmental Authority, interest (or that portion thereof attributable to the payment described in clause (i), above) owed to JPP Joint Participant(s) for such overpayment of taxes (including any reduction in interest otherwise payable by JPP Joint Participant to any Governmental Authority resulting from an offset or credit); provided, however, that JPP Joint Participant(s) will remit such amount promptly to Interconnection Customer, through Operating Agent only after and to the extent that JPP Joint Participant(s) has received a tax refund, credit or offset from any Governmental Authority for any applicable overpayment of income tax related to JPP Interconnection Facilities.

The intent of this provision is to leave the Parties, to the extent practicable, in the event that no taxes are due with respect to any payment for Interconnection Facilities and Network Upgrades hereunder, in the same position they would have been in had no such tax payments been made.

6.9 Taxes Other Than Income Taxes.

Upon the timely request by Interconnection Customer, and at Interconnection Customer’s sole expense, JPP Joint Participant(s) may appeal, protest, seek abatement of, or otherwise contest any tax (other than federal or state income tax) asserted or assessed against JPP Joint Participant for which Interconnection Customer may be required to reimburse JPP under the terms of this LGIA Agreement. Interconnection Customer shall pay to JPP Joint Participant(s), through Operating Agent, on a periodic basis, as invoiced by Operating Agent, JPP’s or affected Joint Participant(s)’ documented reasonable costs of prosecuting such appeal, protest, abatement, or other contest. Interconnection Customer and JPP Joint Participant(s) shall cooperate in good faith with respect to any such contest. Unless the payment of such taxes is a prerequisite to an appeal or abatement or cannot be deferred, no amount shall be payable by Interconnection Customer to JPP for such taxes until they are assessed by a final, non-appealable order by any court or agency of competent jurisdiction. In the event that a tax payment is withheld and ultimately due and payable after appeal, Interconnection Customer will be responsible for all taxes, interest and penalties, other than penalties attributable to any delay caused by JPP Joint Participant(s).

6.10 Tax Status.

Each Party shall cooperate with the other to maintain the other Party’s tax status. Nothing in this LGIA Agreement is intended to adversely affect any Joint Participant’s tax exempt status with respect to the issuance of bonds including, but not limited to, Local Furnishing Bonds. As used in this Agreement, the term “local furnishing bonds” refers to tax-exempt bonds used to finance facilities for the local furnishing of electric energy, as described in Section 142(f) of the Internal Revenue Code of 1986, as amended, or corresponding provisions of predecessor statutes.
7.1 General.

Either Party may undertake modifications to its facilities. If a Party plans to undertake a modification that reasonably may be expected to affect the other Party’s facilities, that Party shall provide to the other Party sufficient information regarding such modification so that the other Party may evaluate the potential impact of such modification prior to commencement of the work. If Interconnection Customer plans to undertake a modification that reasonably may be expected to affect the JPP, Interconnection Customer shall provide to Operating Agent sufficient information regarding such modification so that Operating Agent may evaluate the potential impact of such modification prior to commencement of the work. Such information shall be deemed to be confidential hereunder and shall include information concerning the timing of such modifications and whether such modifications are expected to interrupt the flow of electricity from the Large Generating Facility. The Party desiring to perform such work shall provide the relevant drawings, plans, and specifications to the other Party at least ninety (90) Calendar Days in advance of the commencement of the work or such shorter period upon which the Parties may agree, which agreement shall not unreasonably be withheld, conditioned or delayed.

In the case of a proposed Generating Facility modifications that do not require Interconnection Customer to submit an Interconnection Request, Operating Agent shall provide, within thirty (30) Calendar Days (or such other time as the Parties may agree), an estimate of any additional modifications to the JPP, JPP Interconnection Facilities or Network Upgrades(s) necessitated by such Interconnection Customer modification and a good faith estimate of the costs thereof.

7.2 Standards.

Any additions, modifications, or replacements made to a Party’s facilities shall be designed, constructed and operated in accordance with this LGIA Agreement and Good Utility Practice.

7.3 Modification Costs.

Interconnection Customer shall not be directly assigned for the costs of any additions, modifications, or replacements that JPP Joint Participants makes to JPP Interconnection Facilities or the JPP to facilitate the interconnection of a third party to JPP Interconnection Facilities or the JPP. Interconnection Customer shall be responsible for the costs of any additions, modifications, or replacements to Interconnection Customer’s Interconnection Facilities consistent with Applicable Laws and Regulations, Applicable Reliability Standards or Good Utility Practice.

Article 8. Testing and Inspection.

8.1 Pre-Commercial Operation Date Testing and Modifications.

Prior to the Commercial Operation In-Service Date, Operating Agent shall test JPP Interconnection Facilities and Network Upgrades(s) and Interconnection Customer shall test the Large Generating Facility and Interconnection Customer’s Interconnection Facilities to ensure their safe and reliable operation. Similar testing may be required prior to the In-
Service Date or Initial Synchronization Date.—Each Party shall make any modifications to its facilities that are found to be necessary as a result of such testing. Interconnection Customer shall bear the cost of all such testing and modifications. Interconnection Customer shall generate test energy at the Large Generating Facility only if it has arranged for the delivery of such test energy.

8.2. Post-Commercial Operation Date—Testing and Modifications.—

Each Party shall at its own expense perform routine inspection and testing of its facilities and equipment in accordance with Good Utility Practice as may be necessary to ensure the continued interconnection of the Large Generating Facility with the JPP in a safe and reliable manner. Each Party shall have the right, upon advance written notice, to require reasonable additional testing of the other Party’s facilities, at the requesting Party’s expense, as may be in accordance with Good Utility Practice.

8.3. Right to Observe Testing.

Each Party shall notify the other Party in advance of its performance of tests of its Interconnection Facilities. The other Party has the right, at its own expense, to observe such testing.

8.4. Right to Inspect.—Each Party shall have the right, but shall have no obligation to:

(i) observe the other Party’s tests and/or inspection of any of its System Protection Facilities and other protective equipment, including Power–System Stabilizers;

(ii) review the settings of the other Party’s System Protection Facilities and other protective equipment; and

(iii) review the other Party’s maintenance records relative to the Interconnection Facilities, the System Protection Facilities and other protective equipment. A Party may exercise these rights from time to time as it deems necessary upon reasonable notice to the other Party. The exercise or non-exercise by a Party of any such rights shall not be construed as an endorsement or confirmation of any element or condition of the Interconnection Facilities or the System Protection Facilities or other protective equipment or the operation thereof, or as a warranty as to the fitness, safety, desirability, or reliability of same. Any information that a Party obtains through the exercise of any of its rights under this Article 8.4 shall be deemed to be Confidential Information and treated pursuant to Article 2427 of this LGIA Agreement.

Article 9. Metering.


Each Party shall comply with the Applicable Laws and Regulations and Applicable Reliability Council requirements. Unless otherwise agreed by the Parties, JPP Operating Agent
shall install Metering Equipment at the Point of Interconnection prior to any operation of the Large Generating Facility and shall own, operate, test and maintain such Metering Equipment. Power flows to and from the Large Generating Facility shall be measured at or, at JPP’s Operating Agent’s option, compensated to, the Point of Interconnection. Operating Agent shall provide metering quantities, in analog and/or digital form, to Interconnection Customer upon request. Interconnection Customer shall bear all reasonable documented costs associated with the purchase, installation, operation, testing and maintenance of the Metering Equipment.

9.2 Check Meters.

Interconnection Customer, at its option and expense, may install and operate, on its premises and on its side of the Point of Interconnection, one or more check meters to check JPP’s meters installed by Operating Agent. Such check meters shall be for check purposes only and shall not be used for the measurement of power flows for purposes of this LGIA Agreement, except as provided in Article 9.4 below herein. The check meters shall be subject at all reasonable times to inspection and examination by JPP Operating Agent or its designee. The installation, operation and maintenance thereof shall be performed entirely by Interconnection Customer in accordance with Good Utility Practice.

9.3 Standards. JPP

Operating Agent shall install, calibrate, and test revenue quality Metering Equipment in accordance with applicable ANSI standards.

9.4 Testing of Metering Equipment. JPP

Operating Agent shall inspect and test all JPP-owned, Joint Participant-owned Metering Equipment upon installation and at least once every two (2) years thereafter. If requested to do so by Interconnection Customer, JPP Operating Agent shall, at Interconnection Customer’s expense, inspect or test Metering Equipment more frequently than every two (2) years. JPP Operating Agent shall give reasonable notice of the time when any inspection or test shall take place, and Interconnection Customer may have representatives present at the test or inspection. If at any time Metering Equipment is found to be inaccurate or defective, it shall be adjusted, repaired or replaced at Interconnection Customer’s expense, in order to provide accurate metering, unless the inaccuracy or defect is due to JPP’s Operating Agent’s failure to maintain, then JPP Joint Participants shall pay. If Metering Equipment fails to register, or if the measurement made by Metering Equipment during a test varies by more than two percent (2%) from the measurement made by the standard meter used in the test, JPP Operating Agent shall adjust the measurements by correcting all measurements for the period during which Metering Equipment was in error by using Interconnection Customer’s check meters, if installed. If no such check meters are installed or if the period cannot be reasonably ascertained, the adjustment shall be for the period immediately preceding the test of the Metering Equipment equal to one-half the time from the date of the last previous test of the Metering Equipment.

9.5 Metering Data.

At Interconnection Customer’s expense, the metered data shall be telemetered to one or more locations designated by JPP Operating Agent and one or more locations designated by
Interconnection Customer. Such telemetered data shall be used, under normal operating conditions, as the official measurement of the amount of energy delivered from the Large Generating Facility to the Point of Interconnection.

**Article 10. Communications.**

**10.1 Interconnection Customer Obligations.**

Interconnection Customer shall maintain satisfactory operating communications with JPP’s Transmission System dispatcher or representative designated by [JPP Operating Agent](#). Interconnection Customer shall provide standard voice line, dedicated voice line and facsimile communications at its Large Generating Facility control room or central dispatch facility through use of either the public telephone system, or a voice communications system that does not rely on the public telephone system. Interconnection Customer shall also provide the dedicated data circuit(s) necessary to provide Interconnection Customer data to [JPP Operating Agent](#) as set forth in Appendix D, Security Arrangements Details to this Agreement. The data circuit(s) shall extend from the Large Generating Facility to the location(s) specified by [JPP Operating Agent](#). Any required maintenance of such communications equipment shall be performed by Interconnection Customer. Operational communications shall be activated and maintained under, but not be limited to, the following events: system paralleling or separation, scheduled and unscheduled shutdowns, equipment clearances, and hourly and daily load data.

**10.2 Remote Terminal Unit.**

Prior to the Initial Synchronization In-Service Date of the Large Generating Facility, a Remote Terminal Unit, or equivalent data collection and transfer equipment acceptable to the Parties, shall be installed by Interconnection Customer, or by [JPP Operating Agent](#) at Interconnection Customer’s expense, to gather accumulated and instantaneous data to be telemetered to the location(s) designated by [JPP Operating Agent](#) through use of a dedicated point-to-point data circuit(s) as indicated in Article 10.1 herein. The communication protocol for the data circuit(s) shall be specified by [JPP Operating Agent](#). Instantaneous bi-directional analog real power and reactive power flow information must be telemetered directly to the location(s) specified by [JPP Operating Agent](#).

*Each Party will promptly advise the other Party if it detects or otherwise learns of any metering, telemetry or communications equipment errors or malfunctions that require the attention and/or correction by the other Party. The Party owning such equipment shall correct such error or malfunction as soon as reasonably feasible.*

**10.3 No Annexation.**

Any and all equipment placed on the premises of a Party shall be and remain the property of the Party providing such equipment regardless of the mode and manner of annexation or attachment to real property, unless otherwise mutually agreed by the Parties.
10.4  Provision of Data from a Variable Energy Resource.

The Interconnection Customer with a Variable Energy Resource Generating Facility shall provide meteorological and forced outage data as required by Operating Agent for power production forecasts. The Interconnection Customer with a Variable Energy Resource having wind as the energy source, at a minimum, will be required to provide to Operating Agent site-specific meteorological data including: temperature, wind speed, wind direction, and atmospheric pressure. The Interconnection Customer with a Variable Energy Resource having solar as the energy source, at a minimum, will be required to provide to Operating Agent site-specific meteorological data including: temperature, atmospheric pressure, and irradiance. The exact specifications of the meteorological and forced outage data to be provided by the Interconnection Customer to Operating Agent, including the frequency and timing of data submittals, shall be made taking into account the size and configuration of the Variable Energy Resource, its characteristics, location, and its importance in maintaining generation resource adequacy and transmission system reliability in its area. All requirements for meteorological and forced outage data must be commensurate with the power production forecasting employed by the Operating Agent. Such requirements for meteorological and forced outage data are set forth in Appendix C to this Agreement, as they may change from time to time.


11.1  General.

Each Party shall comply with the Applicable Reliability Council requirements. Each Party shall provide to the other Party all information that may reasonably be required by the other Party to comply with Applicable Laws and Regulations and Applicable Reliability Standards.

11.2  Balancing Authority Area Notification.

At least three months before Initial Synchronization, one hundred twenty (120) Calendar Days before In-Service Date, Interconnection Customer shall notify JPP Operating Agent in writing of the Balancing Authority Area in which the Large Generating Facility will be located. All necessary arrangements, including but not limited to those set forth in Articles 9 and Article 10 of this LGIA Agreement, and Balancing Authority Area generator interchange agreements, if applicable, and the appropriate measures under such agreements, shall be executed and implemented prior to the placement of the Large Generating Facility in the Balancing Authority Area.

11.3  JPP Operating Agent Obligations. JPP

Operating Agent shall cause the JPP Interconnection Facilities to be operated, maintained and controlled in a safe and reliable manner and in accordance with this LGIA—JPP Agreement. Operating Agent may provide operating instructions to Interconnection Customer consistent with this LGIA and JPP’s Agreement and Operating Agent’s operating protocols and procedures as they may change from time to time. JPP Operating Agent will consider changes to its operating protocols and procedures proposed by Interconnection Customer.
11.4  Interconnection Customer Obligations.

Interconnection Customer shall at its own expense operate, maintain and control the Large Generating Facility and Interconnection Customer’s Interconnection Facilities in a safe and reliable manner and in accordance with this LGIA Agreement. Interconnection Customer shall operate the Large Generating Facility and Interconnection Customer’s Interconnection Facilities in accordance with all applicable requirements of the Balancing Authority Area of which it is part, as such requirements are set forth in Appendix C, Interconnection Details, of this LGIA Agreement. Appendix C, Interconnection Details, will be modified to reflect changes to the requirements as they may change from time to time. Either Party may request that the other Party provide copies of the requirements set forth in Appendix C to this Agreement. If the output of the Generating Facility at the Point of Interconnection exceeds the Maximum Capacity, as specified in Appendix C to this Agreement, Operating Agent, at its sole discretion, shall have the right to disconnect the Generating Facility until Interconnection Customer has demonstrated to Operating Agent’s satisfaction that sufficient controls are in place to limit the output of the Generating Facility at the Point of Interconnection to the Maximum Capacity. Interconnection customer shall be fully responsible for any Adverse System Impact that is attributable to the Generating Facility exceeding the Maximum Capacity at the Point of Interconnection.

11.5  Start-Up and Synchronization.

Consistent with the Parties’ mutually Operating Agent’s acceptable procedures, Interconnection Customer is responsible for the proper synchronization of the Large Generating Facility to the JPP.

11.6  Reactive Power and Primary Frequency Response.

11.6.1  Power Factor Design Criteria.

11.6.1.1  Synchronous Generation. Interconnection Customer shall design the Large Generating Facility to maintain a composite power delivery at continuous rated power output at the Point of Interconnection at a power factor within the range of 0.95 leading to 0.95 lagging, unless Operating Agent has established different requirements that apply to all interconnected synchronous generators in the Balancing Authority Area on a comparable basis. The requirements of this paragraph shall not apply to wind generators.

11.6.1.2  Non-Synchronous Generation. Interconnection Customer shall design the Generating Facility to maintain a composite power delivery at continuous rated power output at the Point of Interconnection at a power factor within the range of 0.95 leading to 0.95 lagging, unless Operating Agent has established a different power factor range that applies to all non-synchronous generators in the Balancing Authority Area on a comparable basis. This power factor range standard shall be dynamic and can be met using, for example, power electronics designed to supply this level of reactive capability (taking into account...
any limitations due to voltage level, real power output, etc.) or fixed and switched capacitors, or a combination of the two.

11.6.2 Voltage Schedules.

Once Interconnection Customer has synchronized the Large Generating Facility with the JPP, JPP Operating Agent shall require Interconnection Customer to operate the Large Generating Facility to produce or absorb reactive power within the design limitations of the Large Generating Facility set forth in Article 11.6.1 (Power Factor Design Criteria). JPP’s Operating Agent’s voltage schedules shall treat all sources of reactive power in the Balancing Authority Area in an equitable and not unduly discriminatory manner. JPP Operating Agent shall exercise Reasonable Efforts to provide Interconnection Customer with such schedules at least one (1) day in advance, and may make changes to such schedules as necessary to maintain the reliability of the JPP. Interconnection Customer shall operate the Large Generating Facility to maintain the specified output voltage or power factor at the Point of Interconnection within the design limitations of the Large Generating Facility set forth in Article 11.6.1 (Power Factor Design Criteria). If Interconnection Customer is unable to maintain the specified voltage or power factor, it shall promptly notify the Operating Agent’s system operator or its designated representative.

The Interconnection Customer shall comply with all voltage or reactive power output schedules and associated tolerance bands provided by the JPP. The Interconnection Customer shall further comply with Reliability Standards VAR 002-1, VAR 002-1.1a, VAR 002-1.1b, or any successor standards issued by NERC or WECC, as well as any new standards relating to reactive power or voltage control that may be issued by NERC or WECC. The Interconnection Customer shall be solely responsible for all compliance information, compliance monitoring and data retention required by the aforementioned standards. Any failure by the Interconnection Customer to comply with the schedules and tolerance bands set forth by the JPP and/or the aforementioned standards set forth by NERC or WECC shall be deemed a default in accordance with Article 22. Any costs or penalties imposed by NERC or WECC upon the JPP resulting from the Interconnection Customer’s non-compliance with the schedules, tolerance bands, or NERC or WECC standards shall be directly passed through to the Interconnection Customer and the Interconnection Customer’s obligations for payment of said costs or penalties shall survive the expiration or termination of this LGIA.

11.6.2.1 Governors and Voltage Regulators. Whenever the Large Generating Facility is operated in parallel with the JPP and the speed governors (if installed on the generating unit pursuant to Good Utility Practice) and voltage regulators are capable of operation, Interconnection Customer shall operate the Large Generating Facility with its
speed governors and voltage regulators in automatic operation. If the Large Generating Facility's speed governors and voltage regulators are not capable of such automatic operation, Interconnection Customer shall immediately notify the Operating Agent's system operator or its designated representative, and ensure that such Large Generating Facility's reactive power production or absorption (measured in MVARs) are within the design capability of the Large Generating Facility's generating unit(s) and steady state stability limits. Interconnection Customer shall not cause its Large Generating Facility to disconnect automatically or instantaneously from the JPP or trip any generating unit comprising the Large Generating Facility for an under or over frequency condition unless the abnormal frequency condition persists for a time period beyond the limits set forth in ANSI/IEEE Standard C37.106, or such other standard as applied to other generators interconnected in the Balancing Authority Area on a comparable basis.

11.6.3 Payment for Reactive Power. - JPP

Operating Agent is required to pay Interconnection Customer for reactive power that Interconnection Customer provides or absorbs from the Large Generating Facility only in those instances when JPP Operating Agent requests Interconnection Customer to operate its Large Generating Facility outside the agreed upon range specified in Article 11.6 of this Agreement, provided that Operating Agent pays its own or affiliated generators for reactive power service within the specified range, it must also pay Interconnection Customer. Payments shall be pursuant to Article 20 herein or such other agreement to which the Parties have otherwise agreed.

11.6.4 Primary Frequency Response.

Interconnection Customer shall ensure the primary frequency response capability of its Generating Facility by installing, maintaining, and operating a functioning governor or equivalent controls. The term “functioning governor or equivalent controls” as used herein shall mean the required hardware and/or software that provides frequency responsive real power control with the ability to sense changes in system frequency and autonomously adjust the Generating Facility's real power output in accordance with the droop and deadband parameters and in the direction needed to correct frequency deviations. Interconnection Customer is required to install a governor or equivalent controls with the capability of operating: (1) with a maximum five percent (5%) droop and ±0.036 Hz deadband; or (2) in accordance with the relevant droop, deadband, and timely and sustained response settings from an approved NERC Reliability Standard providing for equivalent or more stringent parameters. The droop characteristic shall be: (1) based on the nameplate capacity of the Generating Facility, and shall be linear in the range of frequencies between 59 to 61 Hz that are outside of the deadband parameter; (2) based on an approved NERC Reliability Standard providing for an equivalent or more stringent parameter. The deadband parameter shall be: the range of frequencies above and below nominal (60 Hz) in which the governor or equivalent controls is not expected to adjust the Generating Facility’s real power output in
response to frequency deviations. The deadband shall be implemented: (1) without a step to the droop curve, that is, once the frequency deviation exceeds the deadband parameter, the expected Generating Facility’s real power output in response to frequency deviations shall start from zero and then increase (for under-frequency deviations) or decrease (for over-frequency deviations) linearly in proportion to the magnitude of the frequency deviation; or (2) in accordance with an approved NERC Reliability Standard providing for an equivalent or more stringent parameter. Interconnection Customer shall notify Operating Agent that the primary frequency response capability of the Generating Facility has been tested and confirmed during commissioning. Once Interconnection Customer has synchronized the Generating Facility with the JPP, Interconnection Customer shall operate the Generating Facility consistent with the provisions specified in Sections 11.6.4.1 and 11.6.4.2 of this Agreement. The primary frequency response requirements contained herein shall apply to both synchronous and non-synchronous Generating Facilities.

11.6.4.1. Governor or Equivalent Controls. Whenever the Generating Facility is operated in parallel with the JPP, Interconnection Customer shall: (1) in coordination with Operating Agent and/or the relevant balancing authority, set the deadband parameter to: (1) a maximum of ±0.036 Hz and set the droop parameter to a maximum of five percent (5%); or (2) implement the relevant droop and deadband settings from an approved NERC Reliability Standard that provides for equivalent or more stringent parameters. Interconnection Customer shall be required to provide the status and settings of the governor or equivalent controls to Operating Agent and/or the relevant Balancing Authority upon request. If Interconnection Customer needs to operate the Generating Facility with its governor or equivalent controls not in service, Interconnection Customer shall immediately notify Operating Agent and the relevant Balancing Authority, and provide both with the following information: (1) the operating status of the governor or equivalent controls (i.e., whether it is currently out of service or when it will be taken out of service); (2) the reasons for removing the governor or equivalent controls from service; and (3) a reasonable estimate of when the governor or equivalent controls will be returned to service. Interconnection Customer shall make Reasonable Efforts to return its governor or equivalent controls into service as soon as practicable. Interconnection Customer shall make Reasonable Efforts to keep outages of the Generating Facility’s governor or equivalent controls to a minimum whenever the Generating Facility is operated in parallel with the JPP.

11.6.4.2. Timely and Sustained Response. Interconnection Customer shall ensure that the Generating Facility’s real power response to sustained frequency deviations outside of the deadband setting is automatically provided and shall begin immediately after frequency deviates outside of the deadband, and to the extent the Generating Facility has operating capability in the direction needed to correct the frequency deviation. Interconnection Customer shall not block or otherwise inhibit the ability of the governor or equivalent controls to respond and shall ensure that the response is not inhibited, except under certain operational constraints including, but not limited to, ambient temperature limitations, physical energy limitations, outages of mechanical equipment, or regulatory requirements. The Generating Facility shall sustain the real power response at least until system frequency returns to a value within the deadband setting of the governor or
equivalent controls. A FERC-approved Reliability Standard with equivalent or more stringent requirements shall supersede the above requirements.

11.6.4.3. **Exemptions.** Generating Facilities that are regulated by the United States Nuclear Regulatory Commission shall be exempt from Articles 11.6.4, 11.6.4.1, and 11.6.4.2 of this Agreement. Generating Facilities that are behind the meter generation that is sized-to-load (i.e., the thermal load and the generation are near-balanced in real-time operation and the generation is primarily controlled to maintain the unique thermal, chemical, or mechanical output necessary for the operating requirements of its host facility) shall be required to install primary frequency response capability in accordance with the droop and deadband capability requirements specified in Article 11.6.4 herein, but shall be otherwise exempt from the operating requirements in Articles 11.6.4, 11.6.4.1, 11.6.4.2, and 11.6.4.4 herein.

11.6.4.4. **Electric Storage Resources.** Interconnection Customer interconnecting an Electric Storage Resource shall establish an operating range in Appendix C to this Agreement that specifies a minimum state of charge and a maximum state of charge between which the electric storage resource will be required to provide primary frequency response consistent with the conditions set forth in Articles 11.6.4, 11.6.4.1, 11.6.4.2 and 11.6.4.3 herein. Appendix C shall specify whether the operating range is static or dynamic, and shall consider (1) the expected magnitude of frequency deviations in the interconnection; (2) the expected duration that system frequency will remain outside of the deadband parameter in the interconnection; (3) the expected incidence of frequency deviations outside of the deadband parameter in the interconnection; (4) the physical capabilities of the electric storage resource; (5) operational limitations of the electric storage resource due to manufacturer specifications; and (6) any other relevant factors agreed to by Operating Agent and Interconnection Customer, and in consultation with the relevant transmission owner or Balancing Authority as appropriate. If the operating range is dynamic, then Appendix C to this Agreement must establish how frequently the operating range will be reevaluated and the factors that may be considered during its reevaluation.

Interconnection Customer’s Electric Storage Resource is required to provide timely and sustained primary frequency response consistent with Article 11.6.4.2 herein when it is online and dispatched to inject electricity to the JPP and/or receive electricity from the JPP. This excludes circumstances when the electric storage resource is not dispatched to inject electricity from the JPP. If Interconnection Customer’s Electric Storage Resource is charging at the time of a frequency deviation outside of its deadband parameter, it is to increase (for over-frequency deviations) or decrease (for under-frequency deviations) the rate at which it is charging in accordance with its droop parameter. Interconnection Customer’s Electric Storage Resource is not required to change from charging to discharging, or vice versa, unless the response necessitated by the droop and deadband settings requires it to do so and it is technically capable of making such a transition.
11.7 Outages and Interruptions.

11.7.1 Outages.

11.7.1.1 Outage Authority and Coordination. Each Party may in accordance with Good Utility Practice in coordination with the other Party remove from service any of its respective Interconnection Facilities or Network Upgrade(s) that may impact the other Party’s facilities as necessary to perform maintenance or testing or to install or replace equipment. Absent an Emergency Condition, the Party scheduling a removal of such facility(ies) from service will use Reasonable Efforts to schedule such removal on a date and time mutually acceptable to the Parties. In all circumstances, any Party planning to remove such facility(ies) from service shall use Reasonable Efforts to minimize the effect on the other Party of such removal. Notwithstanding the forgoing, the JPP Operating Agent, in all circumstances, retains ultimate authority to deny any non-Emergency Condition removal from service.

11.7.1.2 Outage Schedules. Operating Agent shall post scheduled outages of its transmission facilities on the JPP OASIS. Interconnection Customer shall submit its planned maintenance schedules for the Large Generating Facility to Transmission Provider Operating Agent for a minimum of a rolling twenty-four month period. Interconnection Customer shall update its planned maintenance schedules as necessary. Transmission Provider Operating Agent may request Interconnection Customer to reschedule its maintenance as necessary to maintain the reliability of the Transmission System; provided, however, adequacy of generation supply shall not be a criterion in determining Transmission System reliability. Transmission Provider JPP Operating Agent shall compensate Interconnection Customer for any additional direct costs that Interconnection Customer incurs as a result of having to reschedule maintenance, including any additional overtime, breaking of maintenance contracts or other costs above and beyond the cost Interconnection Customer would have incurred absent Transmission Provider's Operating Agent's request to reschedule maintenance. Interconnection Customer will not be eligible to receive compensation, if during the twelve (12) months prior to the date of the scheduled maintenance, Interconnection Customer had modified its schedule of maintenance activities.

11.7.1.3 Outage Restoration. If an outage on a Party’s Interconnection Facilities or Network Upgrade(s) adversely affects the other Party's operations or facilities, the Party that owns or controls the facility that is out of service shall use Reasonable Efforts to promptly restore such facility(ies) to a normal operating condition consistent with the nature of the outage. The Party that owns or controls the facility that is out of service shall provide the other Party, whose operations or facilities are adversely affected, to the extent such information is known, information on the nature of the Emergency Condition, an estimated time of restoration, and any corrective actions required. Initial verbal
notice shall be followed up as soon as practicable with written notice explaining the nature of the outage.

11.7.2. **Interruption of Service.** If required by Good Utility Practice to do so, Operating Agent may require Interconnection Customer to interrupt or reduce deliveries of electricity if such delivery of electricity could adversely affect Operating Agent’s ability to perform such activities as are necessary to safely and reliably operate and maintain the JPP. The following provisions shall apply to any interruption or reduction permitted under this Article **11.7.2:**

11.7.2.1. The interruption or reduction shall continue only for so long as reasonably necessary under Good Utility Practice;

11.7.2.2. Any such interruption or reduction shall be made on an equitable, non-discriminatory basis with respect to all generating facilities directly connected to the JPP; if doing so will resolve the reasons for any given problem.

11.7.2.3. When the interruption or reduction must be made under circumstances which do not allow for advance notice, Operating Agent shall notify Interconnection Customer by telephone as soon as practicable of the reasons for the curtailment, interruption, or reduction, and, if known, its expected duration. Telephone notification shall be followed by written notification as soon as practicable;

11.7.2.4. Except during the existence of an Emergency Condition, when the interruption or reduction can be scheduled without advance notice, Operating Agent shall notify Interconnection Customer in advance regarding the timing of such scheduling and further notify Interconnection Customer of the expected duration. Operating Agent shall use Reasonable Efforts to coordinate with Interconnection Customer using Good Utility Practice to schedule the interruption or reduction during periods of least impact to Interconnection Customer and the JPP;

11.7.2.5. The Parties shall cooperate and coordinate with each other to the extent necessary in order to restore the Large Generating Facility, Interconnection Facilities, and the JPP to their normal operating state, consistent with system conditions and Good Utility Practice.

11.7.3. **Under-Frequency and Over-Frequency Conditions.**

The Transmission System JPP is designed to automatically activate a load-shed program as required by the Applicable Reliability Council Standards in the event of an under-frequency system disturbance. Interconnection Customer shall implement under-frequency and over-frequency relay set points for the Large Generating Facility as required by the Applicable Reliability Council Standards to ensure “ride through” capability of the Transmission System—Large JPP Generating Facility response to frequency deviations of pre-determined magnitudes, both under-frequency and over-frequency
deviations, shall be studied and coordinated with the Operating Agent in accordance with Good Utility Practice. The term “ride through” as used herein shall mean the ability of a Generating Facility to stay connected to and synchronized with the Transmission System JPP during system disturbances within a range of under-frequency and over-frequency conditions, in accordance with Good Utility Practice.

11.7.4.1 System Protection and Other Control Requirements.

11.7.4.1 System Protection Facilities. Interconnection Customer shall, at its expense, install, operate and maintain System Protection Facilities as a part of the Large Generating Facility or Interconnection Customer’s Interconnection Facilities. JPP Operating Agent shall install at Interconnection Customer’s expense any System Protection Facilities that may be required on JPP Interconnection Facilities as a result of the interconnection of the Large Generating Facility and Interconnection Customer’s Interconnection Facilities.

11.7.4.2 Each Party’s protection facilities shall be designed and coordinated with other systems in accordance with Good Utility Practice.

11.7.4.3 Each Party shall be responsible for protection of its facilities consistent with Good Utility Practice.

11.7.4.4 Each Party’s protective relay design shall incorporate the necessary test switches to perform the tests required in Article 8 of this Agreement. The required test switches will be placed such that they allow operation of lockout relays while preventing breaker failure schemes from operating and causing unnecessary breaker operations and/or the tripping of Interconnection Customer’s units.

11.7.4.5 Each Party will test, operate, and maintain its respective System Protection Facilities in accordance with Good Utility Practice.

11.7.4.6 Prior to the In-Service Date, and again prior to the Commercial Operation Initial Synchronization Date, each Party or its agent shall perform a complete calibration test and functional trip test of its respective System Protection Facilities. At intervals suggested by Good Utility Practice and following any apparent malfunction of the System Protection Facilities, each Party shall perform both calibration and functional trip tests of its respective System Protection Facilities. These tests do not require the tripping of
any in-service generation unit. These tests do, however, require that all protective relays and lockout contacts be activated.

11.7.5 Requirements for Protection.

In compliance with Good Utility Practice, Interconnection Customer shall provide, install, own, and maintain relays, circuit breakers and all other devices necessary to remove any fault contribution of the Large Generating Facility to any short circuit occurring on the JPP not otherwise isolated by the JPP’s equipment, such that the removal of the fault contribution shall be coordinated with the protective requirements of the JPP. Such protective equipment shall include, without limitation, a disconnecting device or switch with load-interrupting capability located between the Large Generating Facility and the JPP at a site selected upon mutual agreement (not to be unreasonably withheld, conditioned or delayed) of the Parties. Interconnection Customer shall be responsible for protection of the Large Generating Facility and Interconnection Customer’s other equipment from such conditions as negative sequence currents, over- or under-frequency, sudden load rejection, over- or under-voltage, and generator loss-of-field. Interconnection Customer shall be solely responsible to disconnect the Large Generating Facility and Interconnection Customer’s other equipment if conditions on the JPP could adversely affect the Large Generating Facility.

11.7.6 Power Quality.

Neither Party’s facilities shall cause excessive voltage flicker nor introduce excessive distortion to the sinusoidal voltage or current waves as defined by ANSI Standard C84.1-1989, in accordance with IEEE Standard 519, or any applicable superseding electric industry standard. In the event of a conflict between ANSI Standard C84.1-1989, or any applicable superseding electric industry standard, ANSI Standard C84.1-1989, or the applicable superseding electric industry standard, shall control the most current electrical standards and SRP’s Business Practice posted on OASIS.

11.8 Switching and Tagging Rules—Each Party.

Operating Agent shall provide the other Party Interconnection Customer a copy of its switching and tagging rules that are applicable to the other Party’s activities. Such switching and tagging rules shall be developed on a non-discriminatory basis. The Parties shall comply with applicable switching and tagging rules, as amended from time to time, in obtaining clearances for work or for switching operations on equipment.

11.9 Use of Interconnection Facilities by Third Parties.

11.9.1 Purpose of Interconnection Facilities.

Except as may be required by Applicable Laws and Regulations, or as provided for in applicable JPP participation, ownership or operating agreements among the Joint Participants, or as otherwise agreed to among the Parties herein or hereafter, the
Interconnection Facilities shall be constructed for the sole purpose of interconnecting the Large Generating Facility to the JPP and shall be used for no other purpose.

11.9.2 Third Party Users. The

If required by Applicable Laws and Regulations, or if the Parties mutually agree that if JPP allows, such agreement not to be unreasonably withheld, to allow one or more third parties to use any part of the JPP Interconnection Facilities, or any part thereof, Interconnection Customer will be entitled to compensation for the capital expenses it incurred in connection with those JPP Interconnection Facilities (“Capital Expenses”), based upon the pro rata use of such Interconnection Customer-funded JPP Interconnection Facilities by JPP Joint Participants, all third party users, and Interconnection Customer in accordance with the methodology set forth in Section 11.9.3. Any such compensation will be based upon use by third parties of any portion of JPP Interconnection Facilities except those portions that are exclusively used by Interconnection Customer (JPP Interconnection Facilities minus such facilities exclusively used by Interconnection Customer shall hereinafter be referred to as “Interconnection Customer-funded Common Facilities” or “ICFCF” and are shown in Diagram A in Appendix A.)

In addition, cost responsibility for capital improvements and ongoing costs, including operation and maintenance costs associated with the Interconnection Facilities, which includes ICFCF and those portions of the JPP Interconnection Facilities used exclusively by Interconnection Customer, will be allocated between Interconnection Customer and any third party users based upon the pro rata use of the Interconnection Facilities by JPP Joint Participants, all third party users, and Interconnection Customer, in accordance with Section 12.5. The present Interconnection Customer, and each of any future interconnection customers, shall be solely responsible for costs associated with those JPP Interconnection Facilities set forth in Diagram A in Appendix A that are used exclusively by each such interconnection customer and in accordance with Appendix J to this Agreement.

11.9.3 Methodology. For purposes of this Interconnection Agreement, if one or more third parties use JPP Interconnection Facilities, or any part thereof, Interconnection Customer will be entitled to compensation for the Capital Expenses it incurred in connection with the ICFCF, as defined in Section 11.9.2 and shown in Diagram A in Appendix A, based upon the following methodology. Capital Expenses eligible for reimbursement under this Section 11.9.3, except for land, will be calculated as original installed costs, including any loading rates applied thereto. Capital Expenses for land will be based upon an appraisal agreed upon by the Parties.
Expenses related to JPP Interconnection Facilities similarly shall be calculated and added to the existing Capital Expenses as a basis for pro rata charges and reimbursements in the future.

- Interconnection Customer shall be reimbursed for Capital Expenses based on the terminations to the JPP which use any part of the ICFCF. The second interconnection will yield a 1/2 reimbursement of the initial Capital Expenses for the ICFCF to the Interconnection Customer. A third interconnection will yield a 1/3 obligation of the initial Capital Expenses from such third Interconnection Customer, which will result in an additional 1/6 reimbursement to the Interconnection Customer of the initial Capital Expenses. Additional interconnections similarly will yield pro rata and proportional fractional obligations for the initial Capital Expenses and corresponding reimbursement to prior existing Interconnection Customers.

This interconnection reimbursement methodology is set forth in Exhibit 3 to the Interconnection Agreement. Exhibit 3 may be revised by the Interconnection Customer and JPP by mutual agreement. Such revisions shall not constitute an amendment to the Interconnection Agreement.

- These reimbursements related to future third party use of the ICFCF shall be made by the JPP to the existing Interconnection Customer(s) by a single payment within 60 business days of the interconnection date of each new third party interconnection.

The obligation of future interconnection customers for proportional payments of Capital Expenses for ICFCF shall be included as binding obligations in any such future interconnection agreements between JPP and such Interconnection Customer(s). Failure to make such payments shall constitute a default under such interconnection agreements and as such will be resolved pursuant to the applicable default provisions of such interconnection agreements.

11.10 Disturbance Analysis Data Exchange.

The Parties will cooperate with one another in the analysis of disturbances to either the Large Generating Facility or the JPP by gathering and providing access to any information relating to any disturbance, including information from oscillography, protective relay targets, breaker operations and sequence of events records, and any disturbance information required by Good Utility Practice.

Article 12. Maintenance

12.1 JPP Operating Agent Obligations. JPP

The Operating Agent shall maintain the JPP and JPP Interconnection Facilities in a safe and reliable manner and in accordance with this LGIA Agreement.
12.2 Interconnection Customer Obligations.

Interconnection Customer shall maintain the Large-Generating Facility and Interconnection Customer's Interconnection Facilities (ICIF) in a safe and reliable manner and in accordance with this LGIA Agreement.

12.3 Coordination.

The Parties shall confer regularly to coordinate the planning, scheduling and performance of preventive and corrective maintenance on the Large-Generating Facility and the Interconnection Facilities. The Operating Agent shall be the point of contact for the Joint Participants.

12.4 Secondary Systems.

Each Party shall cooperate with the other in the inspection, maintenance, and testing of control or power circuits that operate below 600 volts, AC or DC, including, but not limited to, any hardware, control or protective devices, cables, conductors, electric raceways, secondary equipment panels, transducers, batteries, chargers, and voltage and current transformers that directly affect the operation of a Party’s facilities and equipment which may reasonably be expected to impact the other Party. Each Party shall provide advance notice to the other Party before undertaking any work on such circuits, especially on electrical circuits involving circuit breaker trip and close contacts, current transformers, or potential transformers.

12.5 Operating and Maintenance Expenses.

Subject to the provisions herein addressing the use of facilities by others, and except for operations and maintenance expenses associated with modifications made for providing interconnection or transmission service to a third party and such third party pays for such expenses, Interconnection Customer shall be responsible for all Operating Work, described in Exhibit 4, a pro rata share of all reasonable expenses including overhead costs, associated with Operating Work performed by the Operating Agent or any Joint Participant on behalf of the JPP, for: (1) owning, operating, maintaining, repairing, and replacing Interconnection Customer's Interconnection Facilities; and (2) operation, maintenance, repair and replacement of JPP Interconnection Facilities and Common Facilities determined by the CRR as set forth in Appendix I to this Agreement. Interconnection Customer shall also be responsible for all costs associated with owning, operating, maintaining, repairing, and replacing Interconnection Customer’s Interconnection Facilities. If, in the future, a third party, JPP, or any Joint Participant, is to interconnect to the JPP, the cost responsibilities for operations, maintenance and replacement are to be determined by the number of terminations. Excluded from this methodology are the protection equipment exclusively used by any such new interconnector(s). These costs will be directly assigned to the owner of the interconnection which is being protected.

12.5.1 Payment for Use of Common Facilities.

If the Interconnection Customer is interconnecting into a pre-existing switchyard/substation, the Interconnection Customer shall make the Common Facilities Use Fee payment to the Operating Agent in accordance with the formula set forth in
Appendix H-2 to this Agreement prior to the In-service Date. A similar Common Facilities Use Fee will be assessed to each future interconnection to the switchyard/substation consistent with this Article 12.5 and Interconnection Customer will be reimbursed a prorata share of those fees utilizing the same methodology as set forth in Appendix J to this Agreement.

12.5.2. Interconnection Customer Cost Responsibilities.

Subject to the provisions herein addressing the use of facilities by others, and except for operations and maintenance expenses associated with modifications made for providing interconnection to a third party and such third party pays for such expenses, Interconnection Customer shall be responsible for:

(i) All expenses associated with owning, operating, maintaining, repairing, and replacing Interconnection Customer's Interconnection Facilities;

(ii) The Interconnection Customer Cost Responsibility (CRR) share of all expenses including overheads, associated with insurance costs, operation, maintenance, repair, replacement, enlargement or betterment of any unit of property or equipment pertaining to or associated with the JPP's Common Facilities, JPP Interconnection Facilities, all other interconnection facilities within the substation/switchyard. Such Interconnection Customer's CRR shall be calculated as set forth in Appendix H-2 to this Agreement. Notwithstanding anything to the contrary in the preceding sentence, costs for Capital Improvements to the JPP Interconnection Facilities, which are requested by the Interconnection Customer, shall be the sole responsibility of the Interconnection Customer.

(iii) The CRR shall be recomputed by Operating Agent in accordance with Appendix I to this Agreement to reflect the installation of any additional Connection(s) at the substation/switchyard and shall be effective upon the date of firm operation thereof. Upon completion of such recalculated, Operating Agent shall revise Appendix I to this Agreement to reflect the then current CRRs.

(iv) In accordance with Article 14 herein and the specific payment provisions of each appendix to this Agreement, on or before the In-Service Date, the Interconnection Customer shall make, cause to be made, or provide evidence of payment of the Mitigation Facility Fee in accordance with the formulas set forth in Appendix K to this Agreement to Operating Agent.

Article 13. Performance Obligation

13.1 Interconnection Customer's Interconnection Facilities.

Interconnection Customer shall design, procure, construct, install, own and/or control Interconnection Customer's Interconnection Facilities described in Appendix A.
Interconnection Facilities, Network Upgrades and Distribution Upgrades to this Agreement, at its sole expense.

13.2. JPP Interconnection Facilities. JPP

Joint Participants, through Operating Agent, shall design, procure, construct, install, own and/or control the JPP Interconnection Facilities described in Appendix A, Interconnection Facilities, Network Upgrades and Distribution Upgrades to this Agreement, at the sole expense of the Interconnection Customer.

13.3. Network Upgrade(s) and Distribution Upgrade(s).

13.3 Network Upgrades and Distribution Upgrades. JPP Joint Participants, through Operating Agent, shall design, procure, construct, install, own and/or control the Network Upgrade(s) and Distribution Upgrade(s) described in Appendix A, Interconnection Facilities, Network Upgrades and Distribution Upgrades to this Agreement. The Interconnection Customer shall be responsible for all costs related to Network Upgrade(s) and Distribution Upgrade(s). Unless JPP elects to fund the capital for the Network Upgrades, they shall be solely funded by Interconnection Customer Upgrade(s).

13.4. Shared Network Upgrade(s).

Interconnection Customer shall pay Operating Agent for Shared Network Upgrade(s) identified pursuant to Section 5.3 of the GIP and memorialized in Appendix A of this Agreement. Payments shall be made in accordance with Section 3.5 of the GIP.

Operating Agent subsequently shall disburse the payment for Shared Network Upgrade(s) to appropriate Interconnection Customer(s) from an earlier Cluster(s) with previously assigned costs associated with the Shared Network Upgrade(s) in accordance with Section 5.3 of the GIP. If the Shared Network Upgrade(s) is not in service, Interconnection Customer shall not be required to make a payment under Section 5.3 of the GIP until the Shared Network Upgrade(s) is in service. In the event that Interconnection Customer fails to meet its obligation to fund Shared Network Upgrade(s), Operating Agent shall not be responsible for Interconnection Customer’s funding obligation.

13.5. Transmission Credits.

13.5.1. Repayment of Amounts Advanced for Network Upgrade(s).

13.4.1 Repayment of Amounts Advanced for Network Upgrades. This section provides for the proportional repayment of amounts advanced for Network Upgrades by any one or more Joint Participants of amounts advanced for Network Upgrade(s) by the Interconnection Customer required under Applicable Laws and Regulations to make such repayments. SRP is not required to make such repayments. Interconnection Customer shall be entitled to a cash-repayment, from any one or more Joint Participants so obligated, equal to the pro rata amount paid to JPP Operating Agent and Affected System Operator, if any, based upon each such Joint Participant’s ownership percentage interest in the applicable component of the JPP, for the Network Upgrade(s).
Upgrades, including any tax gross-up or other tax-related payments associated with Network Upgrades, and not refunded to Interconnection Customer pursuant to Article 65.16.8 or otherwise, to be paid to Interconnection Customer on a dollar-for-dollar basis for the non-usage sensitive portion of transmission charges, as payments are made under each such Joint Participant’s Open-Access Transmission Tariff and open access transmission tariff and any Affected System’s Open-Access Transmission Tariff for transmission services with respect to the Large-Generating Facility. For sake of clarity, the Interconnection Customer will receive refunds from APS, EPE and PNM for their proportionate share of such Network Upgrades and will not receive a refund from SRP for its proportionate share of such Network Upgrade(s). Any repayment shall include interest calculated in accordance with the methodology set forth in FERC’s regulations at 18 C.F.R. § 35.19a(a)(2)(iii) from the date of any payment for Network Upgrades through the date on which the Interconnection Customer receives a repayment of such payment pursuant to this subparagraph. Interconnection Customer may assign such repayment rights to any person.

Notwithstanding the foregoing, Interconnection Customer, any Joint Participant, and any Affected System Operator may adopt any alternative payment schedule that is mutually agreeable so long as any such Joint Participant and any Affected System Operator take one of the following actions no later than five (5) years from the Commercial Operation Date: (1) return to Interconnection Customer any such pro rata amounts advanced for Network Upgrades not previously repaid, or (2) declare in writing that the Joint Participant or Affected System Operator so obligated to do so will continue to provide such pro rata payments to Interconnection Customer on a dollar-for-dollar basis for the non-usage sensitive portion of transmission charges, or develop an alternative schedule that is mutually agreeable and provides for the return of all amounts advanced for Network Upgrades not previously repaid; provided, however, full reimbursement shall not extend beyond twenty (20) years from the Commercial Operation Date.

If the Large-Generating Facility fails to achieve commercial operation, but it or another Generating Facility is later constructed and makes use of the Network Upgrades, the Joint Participants and Affected System Operator(s) so obligated to do so shall at that time reimburse Interconnection Customer for the pro rata amounts advanced for the Network Upgrade(s). Before any such reimbursement can occur, the Interconnection Customer, or the entity that ultimately constructs the Generating Facility, if different, is responsible for identifying the entity to which reimbursement must be made.

13.5.2. 13.4.2 Special Provisions for Affected Systems.

Unless JPP provides Joint Participants provide, under the LGIA, this Agreement, for the pro rata repayment of amounts advanced to an Affected System Operator for Network Upgrades Affected System upgrades by any one or more Joint Participants so obligated to do so, Interconnection Customer and the Affected System Operator shall enter into an agreement that provides for such repayment. The agreement shall specify the terms
governing payments to be made by Interconnection Customer to the Affected System Operator as well as the repayment by the Affected System Operator.

13.4.3 Notwithstanding any other provision of this LGIA Agreement, nothing herein shall be construed as relinquishing or foreclosing any rights, including but not limited to firm transmission rights, capacity rights, transmission congestion rights, or transmission credits, that Interconnection Customer, shall be entitled to, now or in the future under any other agreement or tariff as a result of, or otherwise associated with, the transmission capacity, if any, created by the Network Upgrades Upgrade(s), including the right to obtain cash reimbursements or transmission credits for transmission service that is not associated with the Large Generating Facility.

13.6 13.5 Provision of Security.

At least thirty (30) Calendar Days prior to the commencement of the procurement, installation, or construction of a discrete portion of a JPP Interconnection Facilities, Network Upgrade(s), or Distribution Upgrade(s), Interconnection Customer shall provide JPP, at Interconnection Customer's option, a Operating Agent a guarantee, a surety bond, letter of credit or other form of security that is reasonably acceptable to JPP and is consistent with the Uniform Commercial Code of the jurisdiction identified in Article 19.2 Joint Participants. Such security for payment shall be in an amount sufficient to cover the costs for constructing, procuring and installing the applicable portion of JPP Interconnection Facilities, Network Upgrade(s), or Distribution Upgrade(s) and shall be reduced on a dollar-for-dollar basis for payments made to Transmission Provider Joint Participants for these purposes.

In addition:

13.6.1 13.5.1 The guarantee must be made by an entity that meets the creditworthiness requirements of JPP Operating Agent pursuant to the JPP governing agreements or as reasonably determined by the E&O Committee, and contain terms and conditions that guarantee payment of any amount that may be due from Interconnection Customer, up to an agreed-to maximum amount.

13.6.2 13.5.2 The letter of credit must be issued by a financial institution reasonably acceptable to TJPP Operating Agent and must specify a reasonable expiration date.

13.6.3 13.5.3 The surety bond must be issued by an insurer reasonably acceptable to JPP Operating Agent and must specify a reasonable expiration date.

13.7 13.6 Interconnection Customer Compensation.

If JPP Operating Agent requests or directs Interconnection Customer to provide a service pursuant to Articles 11.6.3 (Payment for Reactive Power), or 18.5.1 of this LGIA, JPP Agreement, Operating Agent shall compensate Interconnection Customer in accordance with Interconnection
Customer’s applicable rate schedule then in effect unless the provision of such service(s) is subject to an RTO or ISO FERC-approved rate schedule. Interconnection Customer shall serve JPP or RTO or ISO with any filing of a proposed rate schedule at the time of such filing with FERC. To the extent that no rate schedule is in effect at the time the Interconnection Customer is required to provide or absorb any Reactive Power under this Agreement, Operating Agent agrees to compensate Interconnection Customer in such amount as would have been due Interconnection Customer had the rate schedule been in effect at the time service commenced; provided, however, that such rate schedule must be filed at FERC or other appropriate Governmental Authority within sixty (60) Calendar Days of the commencement of service.

13.7.1 13.6.1 Interconnection Customer Compensation for Actions During Emergency Condition.
The Joint Participants shall compensate Interconnection Customer for its provision of real and reactive power and other Emergency Condition services that Interconnection Customer provides to support the JPP during an Emergency Condition in accordance with Article 15.

13.8  Facility Connection Requirements

Article 14. Payment for Use of Common Facilities
All Interconnection Customers are required to follow the requirements of the Facility Connection Requirements Business Practice, posted on OASIS, based upon the type of generation.

13.9  Data Modeling Requirements for Inverter-Based Resources

On or before the In-service Date, the Interconnection Customer shall make the Common Facilities Use Fee payment to the Operating Agent for the accounts of the Joint Participants in accordance with the formula set forth in Exhibit 2. Operating Agent requires Interconnection Customer with Inversed-Based Resources to submit all modeling data listed in SRP’s Business Practice as posted on OASIS.

Article 15. Cost Responsibility Ratio

15.1  Purpose: The CRR shall be computed as set forth in Exhibit 5, Cost Responsibility ratio, for the purpose of: (i) allocating to the Interconnection Customer a portion of the costs set forth in Section 16 below and the costs of any Work Liability, and (ii) initially determining the Common Facilities Use Fee payment pursuant to Section 14 hereof.

15.2  Method: The CRR shall be recomputed by the Operating Agent in accordance with Exhibit 5, Cost Responsibility Ratio, attached hereto, to reflect the installation of any additional Function(s) in the JPP and shall be effective upon the date of firm operation thereof. Upon completion of such recomputation, Operating Agent shall revise Exhibit 5 and, as soon thereafter as practicable, submit the revised Exhibit 5 for approval pursuant to Section 35.10.

Article 16. Allocation of Costs
Operating Agent shall calculate the costs and expenses of operation, maintenance, Capital Improvements, insurance, and taxes, including but not limited to overhead expenses, applicable labor loading charges, administrative and general overhead expenses, all in accordance with standard accounting practice and the applicable provisions of the JPP governing agreements, and shall allocate and charge to each Interconnection Customer its proportionate share as set forth in Exhibit 5, of such costs and expenses as set forth below:

16.1 Costs of Operating Work

16.1.1 Operation: Interconnection Customer’s CRR share of all expenses charged for the operation of the JPP.

16.1.2 Maintenance:
   i) All expenses charged for maintenance of the Interconnection Facilities.
   ii) Interconnection Customer’s CRR share of all expenses charged for maintenance of the Common Facilities.

16.2 Costs of Capital Improvements: All costs charged for Capital Improvements to Interconnection Facilities.

16.3 Common Facilities: Interconnection Customer’s CRR share of all Capital Improvements to Common Facilities.

16.4 Costs of Insurance

   16.4.1 All expenses of insurance for or allocable to the Interconnection Facilities.
   16.4.2 Interconnection Customer’s CRR share of all expenses of insurance for or allocable to the Common Facilities.


14.1 General.

17.1 General.—Each Party shall submit to the other Party, on a monthly basis, invoices of amounts due for the preceding month. Each invoice shall state the month to which the invoice applies and fully describe the services and equipment provided. The Parties may discharge mutual debts and payment obligations due and owing to each other on the same date through netting, in which case all amounts a Party owes to the other Party under this LGIA Agreement, including interest payments or credits, shall be netted so that only the net amount remaining due shall be paid by the owing Party.

14.2 Final Invoice.

Within six months after completion of the construction of JPP Interconnection Facilities and the Network Upgrade(s), Operating Agent shall provide an invoice of the final cost of the construction of JPP Interconnection Facilities and the Network Upgrade(s) and shall set forth such costs in sufficient detail to enable Interconnection Customer to compare the actual costs with the estimates and to ascertain deviations, if any, from the cost estimates. JPP Operating Agent shall refund to Interconnection Customer any amount by which the actual payment by Interconnection Customer for estimated costs exceeds the actual costs of construction within thirty (30) Calendar Days of the issuance of such final construction invoice.
14.3 Payment.

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

14.4 Disputes.

17.4 Disputes—In the event of a billing dispute between JPP Operating Agent and Interconnection Customer, JPP Operating Agent shall continue to provide Interconnection Service under this LGIA Agreement as long as Interconnection Customer: (i) continues to make all payments not in dispute; and (ii) pays to JPP Operating Agent or into an independent escrow account the portion of the invoice in dispute, pending resolution of such dispute. If Interconnection Customer fails to meet these two requirements for continuation of service, then JPP Operating Agent may provide notice to Interconnection Customer of a Default pursuant to Article 22. Within thirty (30) Calendar Days after the resolution of the dispute, the Party that owes money to the other Party shall pay the amount due with interest, if applicable and if so, with such interest calculated in accord with the methodology set forth in FERC's regulations at 18 CFR C.F.R. § 35.19a(a)(2)(iii) or other applicable methodology.

Article 15. Article 18. Emergencies.

15.1 Obligations.

18.1 Definition—"Emergency Condition" shall mean a condition or situation: (i) that in the judgment of the Party making the claim is imminently likely to endanger life or property; or (ii) that, in the case of JPP, is imminently likely (as determined in a non-discriminatory manner) to cause a material adverse effect on the security of, or damage to the JPP, JPP Interconnection Facilities or the Transmission Systems of others to which the JPP is directly connected; or (iii) that, in the case of Interconnection Customer, is imminently likely (as determined in a non-discriminatory manner) to cause a material adverse effect on the security of, or damage to, the Large Generating Facility or Interconnection Customer's Interconnection Facilities' System restoration and black start shall be considered Emergency Conditions; provided, that Interconnection Customer is not obligated by this LGIA to possess black start capability.

18.2 Obligations—Each Party shall comply with the Emergency Condition procedures of the applicable ISO/RTO, NERC, the Independent System Operator (ISO)/Regional Transmission Organization (RTO), if any, NERC, Applicable Reliability Council, Applicable Laws and Regulations Standards, and any additional emergency procedures agreed to by the Joint Operating Committee.
15.2 Notice.

18.3 Notice. Operating Agent shall notify Interconnection Customer promptly when it becomes aware of an Emergency Condition that affects JPP Interconnection Facilities or the Transmission System JPP that may reasonably be expected to affect Interconnection Customer’s operation of the Large Generating Facility or Interconnection Customer’s Interconnection Facilities. Interconnection Customer shall notify Operating Agent promptly when it becomes aware of an Emergency Condition that affects the Large Generating Facility or Interconnection Customer’s Interconnection Facilities that may reasonably be expected to affect the JPP or JPP Interconnection Facilities. To the extent information is known, the notification shall describe the Emergency Condition, the extent of the damage or deficiency, the expected effect on the operation of Interconnection Customer’s or JPP’s facilities and operations, its anticipated duration and the corrective action taken and/or to be taken. The initial notice shall be followed as soon as practicable with written notice.

18.4 Immediate Action.

Unless, in Interconnection Customer’s reasonable judgment, immediate action is required, Interconnection Customer shall obtain the consent of Operating Agent, such consent to not be unreasonably withheld, prior to performing any manual switching operations at the Large Generating Facility or Interconnection Customer’s Interconnection Facilities in response to an Emergency Condition either declared by Operating Agent or otherwise regarding the JPP.

18.5 JPP Joint Participants Authority.

18.5.1 General. Operating Agent may take whatever actions or inactions with regard to the JPP or JPP Interconnection Facilities it deems necessary during an Emergency Condition in order to: (i) preserve public health and safety; (ii) preserve the reliability of the JPP or JPP Interconnection Facilities; (iii) limit or prevent damage; and (iv) expedite restoration of service.

Operating Agent shall use Reasonable Efforts to minimize the effect of such actions or inactions on the Large Generating Facility or Interconnection Customer’s Interconnection Facilities. Operating Agent may, on the basis of technical considerations, require the Large Generating Facility to mitigate an Emergency Condition by taking actions necessary and limited in scope to remedy the Emergency Condition, including, but not limited to, directing Interconnection Customer to shut-down, start-up, increase or decrease the real or reactive power output of the Large Generating Facility; implementing a reduction or disconnection pursuant to Article 18.5.2; directing Interconnection Customer to assist with black start (if available) or restoration efforts; or altering the outage schedules of the Large Generating Facility and Interconnection Customer’s Interconnection Facilities. Interconnection Customer shall comply with all of Operating Agent’s operating instructions concerning Large Generating Facility real power and reactive power output within the manufacturer’s design limitations of the Large Generating Facility’s equipment that is in service and physically available for operation at the time, in compliance with Applicable Laws and Regulations and Applicable Reliability Standards.
15.4.2 Reduction and Disconnection.

18.5.2 Reduction and Disconnection. Operating Agent may reduce Interconnection Service or disconnect the Large Generating Facility or Interconnection Customer’s Interconnection Facilities, when such reduction or disconnection is necessary under Good Utility Practice due to Emergency Conditions. These rights are separate and distinct from any right of curtailment of any Joint Participant pursuant to its respective open access transmission tariff. When Operating Agent can schedule the reduction or disconnection in advance, Operating Agent shall notify Interconnection Customer of the reasons, timing and expected duration of the reduction or disconnection. Operating Agent shall coordinate with Interconnection Customer using Good Utility Practice to schedule the reduction or disconnection during periods of least impact to Interconnection Customer and the JPP. Any reduction or disconnection shall continue only for so long as reasonably necessary under Good Utility Practice. The Parties shall cooperate with each other to restore the Large Generating Facility, the Interconnection Facilities, and the JPP to their normal operating state as soon as practicable consistent with Good Utility Practice.

18.6 Interconnection Customer Authority.

Consistent with Good Utility Practice and the LGIA and the LGIP, Applicable Reliability Standards and this Agreement, Interconnection Customer may take actions or inactions with regard to the Large Generating Facility or Interconnection Customer’s Interconnection Facilities during an Emergency Condition in order to: (i) preserve public health and safety; (ii) preserve the reliability of the Large Generating Facility or Interconnection Customer’s Interconnection Facilities; (iii) limit or prevent damage; and (iv) expedite restoration of service. Interconnection Customer shall use Reasonable Efforts to minimize the effect of such actions or inactions on the JPP and JPP Interconnection Facilities. Operating Agent shall use Reasonable Efforts to assist Interconnection Customer in such actions.

18.7 Limited Liability.

Except as otherwise provided in Article 13.6.1 of this LGIA Agreement, neither Party shall be liable to the other for any action it takes in responding to an Emergency Condition so long as such action is made in good faith and is consistent with Good Utility Practice.


19.1 Regulatory Requirements.

Each Party’s obligations under this LGIA Agreement shall be subject to its receipt of any required approval or certificate from one or more Governmental Authorities in the form and substance satisfactory to the applying Party, or the Party making any required filings with, or providing notice to, such Governmental Authorities, and the expiration of any time period associated therewith. Each Party shall in good faith seek and use its Reasonable Efforts to obtain such other approvals. Nothing in this LGIA Agreement shall require any Party to take any action that could result in its inability to obtain, or its loss of, status or exemption under the Federal Power Act, the Public Utility Holding Company Act of 1935, as amended, or the Public Utility Regulatory Policies Act of 1978.
16.2.19.2 Governing Law.

The validity, interpretation and performance of this LGIA Agreement and each of its provisions shall be governed by the laws of the State of Arizona, where the Point of Interconnection is located, without regard to its conflicts of law principles.

16.2.219.2.2 This LGIA Agreement is subject to all Applicable Laws and Regulations.

Each Party expressly reserves the right to seek changes in, appeal, or otherwise contest any laws, orders, rules, or regulations of a Governmental Authority. Nothing in this Agreement shall be meant to imply or cede jurisdiction to FERC or any other regulatory entity, to the extent that FERC or other regulatory entity does not have jurisdiction over a Party to this Agreement. FERC and other regulatory entities have limited jurisdiction over certain Parties and, by executing this Agreement, no Party is waiving or conceding any defenses it has to assert jurisdictional defenses, including, but not limited to, sovereign immunity, intergovernmental immunities, or lack of subject matter jurisdiction.

Article 17. Notices.

17.1. General.

20.1 General.—Unless otherwise provided in this LGIA Agreement, any notice, demand or request required or permitted to be given by either Party to the other and any instrument required or permitted to be tendered or delivered by either Party in writing to the other shall be effective when delivered and may be so given, tendered or delivered, by recognized national courier, or by depositing the same with the United States Postal Service with postage prepaid, for delivery by certified or registered mail, addressed to the Party, or personally delivered to the Party, at the address set out in Appendix F, Addresses for Delivery of Notices and Billings to this Agreement.

Either Party, Interconnection Customer and Operating Agent, may change the notice information in this LGIA Agreement by giving five (5) Business Days written notice prior to the effective date of the change.

17.2. Billings and Payments.

Billings and payments shall be sent to the addresses set out in Appendix F to this Agreement.

17.3. Alternative Forms of Notice.

Any notice or request required or permitted to be given by a Party to the other and not required by this Agreement to be given in writing may be so given by telephone, facsimile or email to the telephone numbers and email addresses set out in Appendix F to this Agreement.

17.4. Operations and Maintenance Notice.

Each Party shall notify the other Party in writing of the identity of the person(s) that it designates as the point(s) of contact with respect to the implementation of Articles 11 and 12.
Article 18. Force Majeure

18.1. Force Majeure.

18.1.1. Economic hardship is not considered a Force Majeure event.

18.1.2. Neither Party shall be considered to be in Default with respect to any obligation hereunder, (including obligations under Article 5), other than the obligation to pay money when due, if prevented from fulfilling such obligation by Force Majeure. A Party unable to fulfill any obligation hereunder (other than an obligation to pay money when due) by reason of Force Majeure shall give notice and the full particulars of such Force Majeure to the other Party in writing or by telephone as soon as reasonably possible after the occurrence of the cause relied upon. Telephone notices given pursuant to this Article shall be confirmed in writing as soon as reasonably possible and shall specifically state full particulars of the Force Majeure, the time and date when the Force Majeure occurred and when the Force Majeure is reasonably expected to cease. The Party affected shall exercise due diligence to remove such disability with reasonable dispatch, but shall not be required to accede or agree to any provision not satisfactory to it in order to settle and terminate a strike or other labor disturbance.

Article 19. Default

19.1. Default.

19.1.1. General. No Default shall exist where such failure to discharge an obligation (other than the payment of money) is the result of Force Majeure as defined in this LGIA Agreement or the result of an act of omission of the other Party. Upon a Breach, the non-breaching Party shall give written notice of such Breach to the breaching Party. Except as provided in Article 19.1.2, the breaching Party shall have thirty (30) Calendar Days from receipt of the Default notice within which to cure such Breach; provided however, if such Breach is not capable of cure within thirty (30) Calendar Days, the breaching Party shall commence such cure within thirty (30) Calendar Days after notice and continuously and diligently complete such cure within ninety (90) Calendar Days from receipt of the Default notice; and, if cured within such time, the Breach specified in such notice shall cease to exist.

19.1.2. Right to Terminate. If a Breach is not cured as provided in this Article or if a Breach is not capable of being cured within the period provided for herein, the non-breaching Party shall have the right to declare a Default and terminate this LGIA Agreement by written notice at any time until cure occurs, and be relieved of any further obligation hereunder and, whether or not that Party terminates this LGIA Agreement, to recover from the breaching Party all
amounts due hereunder, plus all other damages and remedies to which it is entitled at law or in equity. The provisions of this article will survive termination of this LGIA Agreement.

**Article 20. Indemnity, Consequential Damages and Insurance.**

**20.1. Indemnity.**

**23.1 Indemnity.** The Parties shall at all times indemnify, defend, and hold the other Party harmless from, any and all damages, losses, claims, including claims and actions relating to injury to or death of any person or damage to property, demand, suits, recoveries, costs and expenses, court costs, attorney fees, and all other obligations by or to third parties, arising out of or resulting from the other Party's action or inactions of its obligations under this LGIA Agreement on behalf of the Indemnifying Party, except in cases of gross negligence or intentional wrongdoing by the indemnified Party.

**20.1.1. Indemnified Party.**

If an Indemnified Person is entitled to indemnification under this Article as a result of a claim by a third party, and the Indemnifying Party fails, after notice and reasonable opportunity to proceed under Article 23.1 Section 20.1, to assume the defense of such claim, such Indemnified Person may at the expense of the Indemnifying Party contest, settle or consent to the entry of any judgment with respect to, or pay in full, such claim.

**20.1.2. Indemnifying Party.**

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

**20.1.3. Indemnity Procedures.**

Promptly after receipt by an Indemnified Person of any claim or notice of the commencement of any action or administrative or legal proceeding or investigation as to which the indemnity provided for in Article 23.1 Section 20.1 may apply, the Indemnified Person shall notify the Indemnifying Party of such fact. Any failure of or delay in such notification shall not affect a Party's indemnification obligation unless such failure or delay is materially prejudicial to the Indemnifying Party.

The Indemnifying Party shall have the right to assume the defense thereof with counsel designated by such Indemnifying Party and reasonably satisfactory to the Indemnified Person. If the defendants in any such action include one or more Indemnified Persons and the Indemnifying Party and if the Indemnified Person reasonably concludes that there may be legal defenses available to it and/or other Indemnified Persons which are different from or additional to those available to the Indemnifying Party, the Indemnified Person shall have the right to select separate counsel to assert such legal defenses and to otherwise participate in the defense of such action on its own behalf. In such instances, the Indemnifying Party shall only be required to pay the fees and expenses of one additional
attorney to represent an Indemnified Person or Indemnified Persons having such differing or additional legal defenses.

The Indemnified Person shall be entitled, at its expense, to participate in any such action, suit or proceeding, the defense of which has been assumed by the Indemnifying Party. Notwithstanding the foregoing, the Indemnifying Party (i) shall not be entitled to assume and control the defense of any such action, suit or proceedings if and to the extent that, in the opinion of the Indemnified Person and its counsel, such action, suit or proceeding involves the potential imposition of criminal liability on the Indemnified Person, or there exists a conflict or adversity of interest between the Indemnified Person and the Indemnifying Party, in such event the Indemnifying Party shall pay the reasonable expenses of the Indemnified Person, and (ii) shall not settle or consent to the entry of any judgment in any action, suit or proceeding without the consent of the Indemnified Person, which shall not be reasonably withheld, conditioned or delayed.

20.2  Consequential Damages.

23.2 Consequential Damages. Other than the Liquidated Damages heretofore described, in no event shall either Party be liable under any provision of this Agreement for any losses, damages, costs or expenses for any special, indirect, incidental, consequential, or punitive damages, including but not limited to loss of profit or revenue, loss of the use of equipment, cost of capital, cost of temporary equipment or services, whether based in whole or in part in contract, in tort, including negligence, strict liability, or any other theory of liability; provided, however, that damages for which a Party may be liable to the other Party under another agreement will not be considered to be special, indirect, incidental, or consequential damages hereunder.

20.3  Insurance.

23.3 Insurance—Each of the Operating Agent, on behalf of the JPP Joint Participants, and the Interconnection Customer shall, at its own expense, maintain in force throughout the period of this Agreement, and until released by the other Party, the following minimum insurance coverages with insurers authorized to do business in the state where the Point of Interconnection is located:

20.3.1, 23.3.1 Employer’s Liability and Workers’ Compensation Insurance providing statutory benefits in accordance with the laws and regulations of the state in which the Point of Interconnection is located.

20.3.2, 23.3.2 Commercial General Liability Insurance including premises and operations, personal injury, broad form property damage, broad form blanket contractual liability coverage (including coverage for the contractual indemnification) products and completed operations coverage, coverage for explosion, collapse and underground hazards, independent contractors coverage, coverage for pollution to the extent normally available and punitive damages to the extent normally available and a cross liability endorsement, with minimum limits of One Million Dollars ($1,000,000) per occurrence/One Million Dollars ($1,000,000) aggregate combined single limit for personal injury, bodily injury, including death and property damage.
20.3.3, 23.3.3 Commercial Comprehensive Automobile Liability Insurance for coverage of owned and non-owned and hired vehicles, trailers or semi-trailers designed for travel on public roads, with a minimum, combined single limit of One Million Dollars ($1,000,000) per occurrence for bodily injury, including death, and property damage.

20.3.4, 23.3.4 Excess Commercial General Liability Insurance over and above the Employers’ Liability, Commercial General Liability and Commercial Comprehensive Automobile General Liability Insurance coverage, with a minimum combined single limit of Twenty Million Dollars ($20,000,000) per occurrence/Twenty Million Dollars ($20,000,000) aggregate.

20.3.5, 23.3.5 The Commercial General Liability Insurance, Commercial Comprehensive Automobile Insurance and Excess Commercial General Liability Insurance policies shall name the other party, its parent, associated and Affiliate companies and their respective directors, officers, agents, servants and employees (“Other Party Group”) as additional insured. All policies shall contain provisions whereby the insurers waive all rights of subrogation in accordance with the provisions of this LGIA Agreement against the Other Party Group and provide thirty (30) Calendar Days advance written notice to the Other Party Group prior to anniversary date of cancellation or any material change in coverage or condition.

20.3.6, 23.3.6 The Commercial General Liability Insurance, Commercial Comprehensive Automobile Liability Insurance and Excess Commercial General Liability Insurance policies shall contain provisions that specify that the policies are primary and shall apply to such extent without consideration for other policies separately carried and shall state that each insured is provided coverage as though a separate policy had been issued to each, except that insurer’s liability shall not be increased beyond the amount for which the insurer would have been liable had only one insured been covered. Each party shall be responsible for its respective deductibles or retentions.

20.3.7, 23.3.7 The Commercial General Liability Insurance, Commercial Comprehensive Automobile Liability Insurance and Excess Commercial General Liability Insurance policies, if written on a Claims First Made Basis, shall be maintained in full force and effect for two (2) years after termination of this LGIA Agreement, which coverage may be in the form of tail coverage or extended reporting period coverage if agreed by the Parties.

20.3.8, 23.3.8 The requirements contained herein as to the types and limits of all insurance to be maintained by the parties are not intended to and shall not in any manner, limit or qualify the liabilities and obligations assumed by the Parties under this LGIA Agreement.

20.3.9, 23.3.9 Within ten (10) days following execution of this LGIA Agreement, and as soon as practicable after the end of each fiscal year or at the renewal of the
insurance policy and in any event within ninety (90) days thereafter, each of the Operating Agent, on behalf of the JPP, and the Interconnection Customer Party shall provide certification of all insurance required in this LGIA Agreement, executed by each insurer or by an authorized representative of each insurer.

20.3.10. 23.3.10 Notwithstanding the foregoing, each of the Operating Agent, on behalf of the JPP, and the Interconnection Customer Party may self-insure to meet the minimum insurance requirements of Articles 23.3.2 through 23.3.8 to the extent it maintains a self-insurance program; provided that, as applicable, such party’s senior secured debt is rated at investment grade or better by Standard & Poor’s and that its self-insurance program meets the minimum insurance requirements of Articles 23.3.2 through 23.3.8. For any period of time that a party’s senior secured debt is unrated by Standard & Poor’s or is rated at less than investment grade by Standard & Poor’s, such party shall comply with the insurance requirements applicable to it under Articles 23.3.2 through 23.3.9. In the event that Operating Agent, on behalf of the JPP, or Interconnection Customer is permitted to self-insure pursuant to this article, it shall notify the other party that it meets the requirements to self-insure and that its self-insurance program meets the minimum insurance requirements in a manner consistent with that specified in Article 23.3.9.

20.3.11. 23.3.11 The Operating Agent, on behalf of the JPP, and Interconnection Customer agree to report to each other in writing as soon as practical all accidents or occurrences resulting in injuries to any person, including death, and any property damage arising out of this LGIA Agreement.


24.1 Assignment.—This LGIA Agreement may be assigned by either Party only with the written consent of the other; provided that, to the extent allowed by law, either Party may assign this LGIA Agreement without the consent of the other Party to any Affiliate of the assigning Party with an equal or greater credit rating and with the legal authority and operational ability to satisfy the obligations of the assigning Party under this LGIA Agreement; and provided further that Interconnection Customer shall have the right to assign this LGIA Agreement, without the consent of JPP Operating Agent, for collateral security purposes to aid in providing financing for the Large Generating Facility, provided that Interconnection Customer will promptly notify JPP Operating Agent of any such assignment. Any financing arrangement entered into by Interconnection Customer pursuant to this article will provide that prior to or upon the exercise of the secured party’s, trustee’s or mortgagee’s assignment rights pursuant to said arrangement, the secured creditor, the trustee or mortgagee will notify JPP Operating Agent of the date and particulars of any such exercise of assignment right(s), including providing the JPP Operating Agent with proof that it meets the requirements of Articles 13.5, 13.6 and 23.3.20.3. Any attempted assignment that violates this article is void and ineffective. Any assignment under this LGIA Agreement shall not relieve a Party of its obligations, nor shall a Party’s
obligations be enlarged, in whole or in part, by reason thereof. Where required, consent to assignment will not be unreasonably withheld, conditioned or delayed.

**Article 22.** *Article 25.** *Severability.*

25.1 **Severability.** If any provision in this *LGIA Agreement* is finally determined to be invalid, void or unenforceable by any court or other Governmental Authority having jurisdiction, such determination shall not invalidate, void or make unenforceable any other provision, agreement or covenant of this *LGIA Agreement.* If Interconnection Customer (or any third party, but only if such third party is not acting at the direction of Operating Agent) seeks and obtains such a final determination with respect to any provision of Article 5.1.2 or Article 5.1.4 of this Agreement, then none of these provisions shall thereafter have any force or effect and the Parties' rights and obligations shall be governed solely by Article 5.1.1 of this Agreement.

**Article 23.** *Article 26.** *Comparability.*

26.1 **Comparability.** The Parties will comply with all applicable comparability and code of conduct laws, rules and regulations, as amended from time to time.

**Article 24.** *Article 27.** *Confidentiality.*

The Parties agree to protect Confidential Information and not to release or disclose it, except as allowed by this Agreement.

27.1 **Confidentiality.** Confidential Information shall include, without limitation, all information relating to a Party's technology, research and development, business affairs, and pricing, and any information supplied by either of the Parties to the other prior to the execution of this *LGIA Agreement.*

Information is Confidential Information only if it is clearly designated or marked in writing as confidential on the face of the document, or, if the information is conveyed orally or by inspection, if the Party providing the information orally informs the Party receiving the information that the information is confidential.

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.

**24.1.** **Term.**

27.1.1 **Term.** During the term of this *LGIA Agreement,* and for a period of three (3) years after the expiration or termination of this *LGIA Agreement,* except as otherwise provided in this Article, each Party shall hold in confidence and shall not disclose to any person Confidential Information.
24.2. Scope.

27.1.2 Scope.—Confidential Information shall not include information that the receiving Party can demonstrate: (1) is generally available to the public other than as a result of a disclosure by the receiving Party; (2) was in the lawful possession of the receiving Party on a non-confidential basis before receiving it from the disclosing Party; (3) was supplied to the receiving Party without restriction by a third party, who, to the knowledge of the receiving Party after due inquiry, was under no obligation to the disclosing Party to keep such information confidential; (4) was independently developed by the receiving Party without reference to Confidential Information of the disclosing Party; (5) is, or becomes, publicly known, through no wrongful act or omission of the receiving Party or Breach of this LGIA Agreement; or (6) is required, in accordance with Article 27.1.7 of the LGIA Agreement, Order of Disclosure, to be disclosed by any Governmental Authority or is otherwise required to be disclosed by law or subpoena, or is necessary in any legal proceeding establishing rights and obligations under this LGIA Agreement. 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.

24.3. Release of Confidential Information.

Neither Party shall release or disclose Confidential Information to any other person, except to its Affiliates (limited by the Standards of Conduct requirements), subcontractors, employees, consultants, or to parties who may be or considering providing financing to or equity participation with Interconnection Customer, or to potential purchasers or assignees of Interconnection Customer, on a need-to-know basis in connection with this LGIA Agreement, unless such person has first been advised of the confidentiality provisions of this Article 27 and has agreed to comply with such provisions. Notwithstanding the foregoing, a Party providing Confidential Information to any person shall remain primarily responsible for any release of Confidential Information in contravention of this Article 27.

24.4. Rights.

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

24.5. No Warranties.

27.1.5 No Warranties.—By providing Confidential Information, neither Party makes any warranties or representations as to its accuracy or completeness. In addition, by supplying Confidential Information, neither Party obligates itself to provide any particular information or Confidential Information to the other Party nor to enter into any further agreements or proceed with any other relationship or joint venture.


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

24.7. Order of Disclosure.

27.1.7 Order of Disclosure—If (i) a court or a Governmental 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, or (ii) SRP receives a public records request to disclose Confidential Information, that Party shall provide the other Party with prompt notice of such request(s) or requirement(s) so that the other Party may seek an appropriate protective order or waive compliance with the terms of this LGIA Agreement. Notwithstanding the absence of a protective order or waiver, the Party may disclose such Confidential Information which, in the opinion of its counsel, the Party is legally compelled to disclose after providing the other Party notice as required by this Article 24.7 and an opportunity to seek a protective order. Each Party will use Reasonable Efforts to obtain reliable assurance that confidential treatment will be accorded any Confidential Information so furnished.

Interconnection Customer understands that, as a political subdivision of the State of Arizona, SRP may be subject to certain disclosure requirements under the Arizona public records law (A.R.S. § 39-101, et seq.). Provided that SRP complies with the procedural requirements of this Article 24.7, and notwithstanding any other provision of this Agreement, SRP may release Interconnection Customer’s Confidential Information to a third party in response to a public records request submitted by such party.

24.8. Termination of Agreement.

27.1.8 Termination of Agreement. Upon termination of this LGIA Agreement for any reason, each Party shall, within ten (10) Calendar Days of receipt of a written request from the other Party, use Reasonable Efforts to destroy, erase, or delete (with such destruction, erasure, and deletion certified in writing to the other Party) or return to the other Party, without retaining copies thereof, any and all written or electronic Confidential Information received from the other Party.

24.9. Remedies.

27.1.9 Remedies. The Parties agree that monetary damages would be inadequate to compensate a Party for the other Party’s Breach of its obligations under this Article 27. Each Party accordingly agrees that the other Party shall be entitled to equitable relief, by way of injunction or otherwise, if the first Party Breaches or threatens to Breach its obligations under this Article 2724, which equitable relief shall be granted without bond or proof of damages, and the receiving Party shall not plead in defense that there would be an adequate remedy at law. Such remedy shall not be deemed an exclusive remedy for the Breach of this Article 2724, but shall be in addition to all other remedies available at law or in equity. The Parties further acknowledge and agree that the covenants contained herein are necessary for the protection of legitimate business interests and are reasonable in scope. No Party, however, shall be liable for indirect, incidental, or consequential or punitive damages of any nature or kind resulting from or arising in connection with this Article 2724.
24.10 Disclosure to FERC, its Staff or a State.

Disclosure to FERC, its Staff, or a State. Notwithstanding anything in this Article 24 to the contrary, and pursuant to 18 C.F.R. § 1b.20, if FERC or its staff, during the course of an investigation or otherwise, requests information from one of the Parties that is otherwise required to be maintained in confidence pursuant to this Agreement, the Party shall provide the requested information to FERC or its staff, within the time provided for in the request for information, where required by law or Governmental Authority to do so. In providing the information to FERC or its staff, the Party must, consistent with 18 C.F.R. § 388.112, request that the information be treated as confidential and non-public by FERC and its staff and that the information be withheld from public disclosure. Parties are prohibited from notifying the other Party to this Agreement that a request for information has been received by FERC, at which time either of the Parties may respond before such information would be made public pursuant to 18 C.F.R. § 388.112. Requests from a state regulatory body conducting a confidential investigation shall be treated in a similar manner if consistent with the applicable state rules and regulations.

24.11 Disclosure.

27.1.10 Disclosure under Operation of Law. Any information that a Party claims is competitively sensitive, commercial or financial information ("Confidential Information") under this Agreement 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 a Governmental Authority law; (ii) reasonably deemed by the disclosing Party to be required to be disclosed in connection with a dispute between or among the Parties, or the defense of litigation or dispute; (iii) otherwise permitted by consent of the other Party, such consent not to be unreasonably withheld; or (iv) necessary to fulfill its obligations under this LGIA Agreement or as a transmission service provider or a Balancing Area Authority Area operator including disclosing the Confidential Information to an RTO or ISO or to a 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.

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).

- Operating Agent shall, at Interconnection Customer’s election, destroy, in a confidential manner, or return the Confidential Information provided at the time such Confidential Information is no longer needed.

Article 25. Environmental Releases.

28.1 The Operating Agent and Interconnection Customer Each Party shall notify one another the other Party, first orally and then in writing, of the release of any Hazardous Substances, any asbestos or lead abatement activities, or any type of remediation activities
related to the Large Generating Facility or the Interconnection Facilities, each of which may reasonably be expected to affect the other Party. The notifying Party shall: (i) provide the notice as soon as practicable, provided such Party makes a good faith effort to provide the notice no later than twenty-four (24) hours after such Party becomes aware of the occurrence; and (ii) promptly furnish to the other Party copies of any publicly available reports filed with any Governmental Authorities addressing such events.

**Article 26.**  
**Article 29.**  
**Information Requirements.**

**26.1.**  
**29.1.**  
**Information Acquisition.**

The Operating Agent and Interconnection Customer shall submit specific information regarding their electrical characteristics of their respective facilities to each other as described below and in accordance with Applicable Reliability Standards.

**26.2.**  
**29.2.**  
**Information Submission by Operating Agent.**

The initial information submission by JPP Operating Agent shall occur no later than one hundred eighty (180) Calendar Days prior to Trial Operation and shall include JPP information necessary to allow Interconnection Customer to select equipment and meet any system protection and stability requirements, unless otherwise agreed to by the Parties. On a monthly basis Operating Agent shall provide Interconnection Customer a status report on the construction and installation of JPP Interconnection Facilities and Network Upgrades, including, but not limited to, the following information: (1) progress to date; (2) a description of the activities since the last report; (3) a description of the action items for the next period; and (4) the delivery status of equipment ordered.

**26.3.**  
**29.3.**  
**Updated Information Submission by Interconnection Customer.**

The updated information submission by Interconnection Customer, including manufacturer information, shall occur no later than one hundred eighty (180) Calendar Days prior to the Trial Operation. Interconnection Customer shall submit a completed copy of the Large Generating Facility data requirements contained in Appendix 1 to the LGIPGIP. It shall also include any additional information provided to Operating Agent for the Feasibility and Cluster System Impact Study and the Interconnection Facilities Study. Information in this submission shall be the most current Large-Generating Facility design or expected performance data. Information submitted for stability models shall be compatible with the JPP standard models. If there is no compatible model, Interconnection Customer will work with a consultant mutually agreed to by the Parties to develop and supply a standard model and associated information.

If Interconnection Customer’s data is materially different from what was originally provided to Operating Agent pursuant to the Interconnection Study Agreement between JPP and Interconnection Customer, then Operating Agent will conduct appropriate studies to determine the impact on the JPP based on the actual data submitted pursuant to this Article 29.3.26.3. The Interconnection Customer shall not begin Trial Operation until such studies are completed.
26.4. Information Supplementation.

29.4 Information Supplementation.—Prior to the Commercial Operation Date, the Parties shall supplement their information submissions described above in this Article 29.26 with any and all “as-built” Large-Generating Facility information or “as-tested” performance information that differs from the initial submissions or, alternatively, written confirmation that no such differences exist. The Interconnection Customer shall conduct tests on the Large-Generating Facility as required by Good Utility Practice such as an open circuit “step voltage” test on the Large Generating Facility to verify proper operation of the Large-Generating Facility’s automatic voltage regulator.

Unless otherwise agreed, the test conditions shall include: (1) Large-Generating Facility at synchronous speed; (2) automatic voltage regulator on and in voltage control mode; and (3) a five percent change in Large-Generating Facility terminal voltage initiated by a change in the voltage regulators reference voltage. Interconnection Customer shall provide validated test recordings showing the responses of Large-Generating Facility terminal and field voltages. In the event that direct recordings of these voltages is impractical, recordings of other voltages or currents that mirror the response of the Large-Generating Facility’s terminal or field voltage are acceptable if information necessary to translate these alternate quantities to actual Large-Generating Facility terminal or field voltages is provided. Large-Generating Facility testing shall be conducted and results provided to Operating Agent for each individual generating unit in a station.

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

30.1 Information Access.

Each Party (the “disclosing Party”) shall make available to the other Party information that is in the possession of the disclosing Party and is necessary in order for the other Party to: (i) verify the costs incurred by the disclosing Party for which the other Party is responsible under this LGIA Agreement; and (ii) carry out its obligations and responsibilities under this LGIA Agreement. The Parties shall not use such information for purposes other than those set forth in this Article 30.1 and to enforce their rights under this LGIA Agreement.

30.2 Reporting of Non-Force Majeure Events.

Each Party (the “notifying Party”) shall notify the other Party when the notifying Party becomes aware of its inability to comply with the provisions of this LGIA Agreement for a reason other than a Force Majeure event. The Parties agree to cooperate with each other and provide necessary
information regarding such inability to comply, including the date, duration, reason for the inability to comply, and corrective actions taken or planned to be taken with respect to such inability to comply. Notwithstanding the foregoing, notification, cooperation or information provided under this Article shall not entitle the Party receiving such notification to allege a cause for anticipatory breach of this Agreement.

27.3 Audit Rights.

30.3 Audit Rights. Subject to the requirements of confidentiality under Article 27.4 of this Agreement, each Party shall have the right, during normal business hours, and upon prior reasonable notice to the other Party, to audit at its own expense the other Party’s accounts and records pertaining to either Party’s performance or either Party’s satisfaction of obligations under this Agreement. Such audit rights shall include audits of the other Party’s costs, calculation of invoiced amounts, JPP’s Operating Agent’s efforts to allocate responsibility for the provision of reactive support to the Transmission System, JPP’s efforts to allocate responsibility for interruption or reduction of generation on the Transmission System, and each Party’s actions in an Emergency Condition. Any audit authorized by this Article shall be performed at the offices where such accounts and records are maintained and shall be limited to those portions of such accounts and records that relate to each Party’s performance and satisfaction of obligations under this Agreement. Each Party shall keep such accounts and records for a period equivalent to the audit rights periods described in Article 30.4.

27.4 Audit Rights Periods.

27.4.1 Audit Rights Period for Construction-Related Accounts and Records.

Accounts and records related to the design, engineering, procurement, and construction of JPP Interconnection Facilities and Network Upgrades shall be subject to audit for a period of twenty-four months following JPP’s Operating Agent’s issuance of a final invoice in accordance with Article 17.2.

27.4.2 Audit Rights Period for All Other Accounts and Records.

Accounts and records related to either Party’s performance or satisfaction of all obligations under this Agreement other than those described in Section 27.4.1 shall be subject to audit as follows: (i) for an audit relating to cost obligations, the applicable audit rights period shall be twenty-four months (24) after the auditing Party’s receipt of an invoice giving rise to such cost obligations; and (ii) for an audit relating to all other obligations, the applicable audit rights period shall be twenty-four (24) months after the event for which the audit is sought.

27.5 Audit Results.

If an audit by a Party determines that an exception, such as an overpayment or an underpayment has occurred, a written notice of such overpayment or underpayment exception shall be given to the other Party together with those records from the audit which support such determination.
The other Party’s Authorized Representative shall respond in writing to such notification of any exception within thirty (30) Calendar Days. Upon resolution of any exception, the owing Party shall directly refund the amount of any exception to the other Party within thirty (30) Calendar days.

Article 28. Article 31. Subcontractors


31.1 General. Nothing in this LGIA Agreement shall prevent a Party from utilizing the services of any subcontractor as it deems appropriate to perform its obligations under this LGIA Agreement; provided, however, that each Party shall require its subcontractors to comply with all applicable terms and conditions of this LGIA Agreement in providing such services and each Party shall remain primarily liable to the other Party for the performance of such subcontractor.

28.2. 31.2 Responsibility of Principal.

The creation of any subcontract relationship shall not relieve the hiring Party of any of its obligations under this LGIA Agreement. The hiring Party shall be fully responsible to the other Party for the acts or omissions of any subcontractor the hiring Party hires as if no subcontract had been made; provided, however, that in no event shall Joint Participants be liable for the actions or inactions of Interconnection Customer or its subcontractors with respect to obligations of Interconnection Customer under Article 5 of this LGIA Agreement. Any applicable obligation imposed by this LGIA Agreement upon the hiring Party shall be equally binding upon, and shall be construed as having application to, any subcontractor of such Party.

28.3. No Limitation by Insurance.

31.3 No Limitation by Insurance. The obligations under this Article 31 will not be limited in any way by any limitation of subcontractor’s insurance.

Article 29. Article 32. Disputes

29.1. Submission.

32.1 Submission. In the event either Party has a dispute, or asserts a claim, that arises out of or in connection with this LGIA Agreement or its performance, such Party (the "disputing Party") shall provide the other Party with written notice of the dispute or claim ("Notice of Dispute"). Such dispute or claim shall be referred to a designated senior representative of each Party for resolution on an informal basis as promptly as practicable after receipt of the Notice of Dispute by the other 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 Agreement.
### 32.2 External Arbitration Procedures.

Any arbitration initiated under this LGIA Agreement shall be conducted before a single neutral arbitrator appointed by the Parties. If the Parties fail to agree upon a single arbitrator within ten (10) Calendar Days of the submission of the dispute to arbitration, each Party shall choose one arbitrator who shall sit on a three-member arbitration panel. The two arbitrators so chosen shall within twenty (20) Calendar Days select a third arbitrator to chair the arbitration panel. In either case, the arbitrators shall be knowledgeable in electric utility matters, including electric transmission and bulk power issues, and shall not have any current or past substantial business or financial relationships with any party to the arbitration (except prior arbitration). The arbitrator(s) shall provide each of the Parties an opportunity to be heard and, except as otherwise provided herein, shall conduct the arbitration in accordance with the Commercial Arbitration Rules of the American Arbitration Association ("Arbitration Rules") and any applicable FERC regulations or RTO rules; provided, however, in the event of a conflict between the Arbitration Rules and the terms of this Article 32.2, the terms of this Article 32.2 shall prevail.

### 32.3 Arbitration Decisions.

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

### 32.4 Costs.

Each Party shall be responsible for its own costs incurred during the arbitration process and for the following costs, if applicable: (1) the cost of the arbitrator chosen by the Party to sit on the three-member panel and one half of the cost of the third arbitrator chosen; or (2) one half the cost of the single arbitrator jointly chosen by the Parties.

### Article 30. Article 33. Representations, Warranties, and Covenants.

#### 30.1 General.

#### 33.1 General.

Each Party makes the following representations, warranties and covenants:
30.1.1, 33.1.1—Good Standing.

Such Party is duly organized, validly existing and in good standing under the laws of the state in which it is organized, formed, or incorporated, as applicable; that it is qualified to do business in the state or states in which the Large Generating Facility, Interconnection Facilities and Network Upgrades owned by such Party, as applicable, are located; and that it has the corporate power and authority to own its properties, to carry on its business as now being conducted and to enter into this LGIA Agreement and carry out the transactions contemplated hereby and perform and carry out all covenants and obligations on its part to be performed under and pursuant to this LGIA Agreement.

30.1.2, Authority.

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

30.1.3, No Conflict.

33.1.3 No Conflict—The execution, delivery and performance of this LGIA Agreement does not violate or conflict with the organizational or formation documents, or bylaws or operating agreement, of such Party, or any judgment, license, permit, order, material agreement or instrument applicable to or binding upon such Party or any of its assets.

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

Article 31. Article 34. Joint Operating Committee

31.1 Joint Operating Committee.

34.1 Joint Operating Committee—Except in the case of ISOs and RTOs, JPP shall constitute Agent and Interconnection Customer shall be members of a Joint Operating Committee to coordinate operating and technical considerations of Interconnection Service. At least six (6) months prior to the expected Initial Synchronization Date, Operating Agent and Interconnection Customer and JPP shall each appoint one representative and one alternate to the Joint Operating Committee. Each Interconnection Customer shall notify JPP Operating Agent of its appointment in writing. Such appointments may be changed at any
time by similar notice. The Joint Operating Committee shall meet with the E&O Committee as necessary, but not less than once each calendar year, to carry out the duties set forth herein. The Joint Operating Committee shall hold a meeting at the request of either any Party, at a time and place agreed upon by the representatives during otherwise scheduled E&O Committee meetings. The Joint Operating Committee shall perform all of its duties consistent with the provisions of this LGIA Agreement. Each Party shall cooperate in providing to the Joint Operating Committee all information required in the performance of the Joint Operating Committee’s duties. All decisions and agreements, if any, made by the Joint Operating Committee, shall be evidenced in writing. The duties of the Joint Operating Committee shall include the following:

31.1.1, 34.1.1 Establish data requirements and operating record requirements.

31.1.2, 34.1.2 Review the requirements, standards, and procedures for data acquisition equipment, protective equipment, and any other equipment or software.

31.1.3, 34.1.3 Annually review the one (1) year forecast of maintenance and planned outage schedules of JPP’s and the Interconnection Customer’s facilities at the Point of Interconnection.

31.1.4, 34.1.4 Coordinate the scheduling of maintenance and planned outages on the Interconnection Facilities, the Large Generating Facility and other facilities that impact the normal operation of the interconnection of the Large Generating Facility to the JPP.

31.1.5, 34.1.5 Ensure that information is being provided by each Party regarding equipment availability.

31.1.6, 34.1.6 Perform such other duties as may be conferred upon it by mutual agreement of the Parties.

Article 32. Article 35. Miscellaneous.

32.1, 35.1 Binding Effect.

This LGIA Agreement and the rights and obligations hereof, shall be binding upon and shall inure to the benefit of the successors and assigns of the Parties hereto, including each of the Joint Participants.

32.2, 35.2 Conflicts.

35.2 Conflicts—In the event of a conflict between the body of this LGIA Agreement and any attachment, appendices or exhibits hereto, the terms and provisions of the body of this LGIA Agreement shall prevail and be deemed the final intent of the Parties.
32.3. **Rules of Interpretation.**

35.3 **Rules of Interpretation.** This LGIA Agreement, unless a clear contrary intention appears, shall be construed and interpreted as follows: (1) the singular number includes the plural number and vice versa; (2) reference to any person includes such person's successors and assigns but, in the case of a Party, only if such successors and assigns are permitted by this LGIA Agreement, and reference to a person in a particular capacity excludes such person in any other capacity or individually; (3) reference to any agreement (including this LGIA Agreement), document, instrument or tariff means such agreement, document, instrument, or tariff as amended or modified and in effect from time to time in accordance with the terms thereof and, if applicable, the terms hereof; (4) reference to any Applicable Laws and Regulations or Applicable Reliability Standards means such Applicable Laws and Regulations or Applicable Reliability Standards as amended, modified, codified, or reenacted, in whole or in part, and in effect from time to time, including, if applicable, rules and regulations promulgated thereunder; (5) unless expressly stated otherwise, reference to any Article, Section or Appendix means such Article of this LGIA Agreement or such Appendix to this LGIA Agreement, or such Section to the LGIP GIP or such Appendix to the LGIP GIP, as the case may be; (6) “hereunder”, “hereof”, “herein”, “hereto” and words of similar import shall be deemed references to this LGIA Agreement as a whole and not to any particular Article or other provision hereof or thereof; (7) “including” (and with correlative meaning “include”) means including without limiting the generality of any description preceding such term; and (8) relative to the determination of any period of time, “from” means “from and including”, “to” means “to but excluding” and “through” means “through and including”.

35.4 **Entire Agreement.**

This LGIA Agreement, together with the EPC Agreement, including all Appendices and Schedules attached hereto to those agreements, constitutes the entire agreement between the Parties with reference to the subject matter hereof, and supersedes all prior and contemporaneous understandings or agreements, oral or written, between the Parties with respect to the subject matter of this LGIA Agreement. There are no other agreements, representations, warranties, or covenants which constitute any part of the consideration for, or any condition to, either Party’s compliance with its obligations under this LGIA Agreement.

35.5 **No Third Party Beneficiaries.**

This LGIA Agreement is not intended to and does not create rights, remedies, or benefits of any character whatsoever in favor of any persons, corporations, associations, or entities other than the Parties, and the obligations herein assumed are solely for the use and benefit of the Parties, their successors in interest and, where permitted, their assigns.

35.6 **Waiver.**

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

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

32.7  Headings.

35.7  Headings—The descriptive headings of the various Articles of this LGIA Agreement have been inserted for convenience of reference only and are of no significance in the interpretation or construction of this LGIA Agreement.

32.8  Amendment.

35.8  Multiple Counterparts. This LGIA may be executed in two or more counterparts, each of which is deemed an original but all constitute one and the same instrument.

35.9  Amendment. The Parties may by mutual agreement amend this LGIA Agreement by a written instrument duly executed by the Parties.

32.9  Appendix and Exhibit Revisions.

35.10 Modification by the Parties. The Parties may by mutual agreement modify Appendices and Exhibits to this LGIA by a written instrument duly executed by the Parties. Such modifications shall become effective and a part of this LGIA upon satisfaction of all Applicable Laws and Regulations.

32.9.1. Unless otherwise noted herein, appendices and exhibits to this Agreement may be modified by the Engineering and Operating Committee if agreed to by an Engineering and Operating Committee representative of each Participant and the Interconnection Customer in writing.

32.9.2. The Operating Agent shall submit each revised appendix and/or exhibit to the Engineering and Operating Committee for its review and approval. Within thirty (30) days after approval of such revised appendices and/or exhibits by the Engineering and Operating Committee, Operating Agent or designated FERC jurisdictional Participant shall file such revised appendices and/or exhibits with FERC for approval and distribute copies thereof to each Participant.

32.9.3. The effective date of a revised appendices and/or exhibits shall be as determined by the E&O Committee and is subject to FERC approval. Revised cost responsibility percentages shall be reflected in invoices following the FERC-approved effective date of the revised appendices and/or exhibits.

32.10, 35.11 Reservation of Rights.

Each of the Joint Participants shall have the right to make a unilateral filing with FERC to modify this LGIA Agreement with respect to any rates, terms and conditions, charges, classifications of service, rule or regulation under section 205 or any other applicable provision of the Federal Power Act and FERC’s rules and regulations thereunder, and Interconnection Customer shall have the right to make a unilateral filing with FERC to modify this LGIA Agreement pursuant to
section 206 or any other applicable provision of the Federal Power Act and FERC’s rules and regulations thereunder; provided that each Party shall have the right to protest any such filing and to participate fully in any proceeding before FERC in which such modifications may be considered. Nothing in this LGIA Agreement shall limit the rights of the Parties or of FERC under sections 205 or 206 of the Federal Power Act and FERC’s rules and regulations thereunder, except to the extent that the Parties otherwise mutually agree as provided herein.

32.11. No Partnership.

35.12. No Partnership. This LGIA Agreement shall not be interpreted or construed to create an association, joint venture, agency relationship, or partnership between the Parties or to impose any partnership obligation or partnership liability upon either Party. Neither Party shall have any right, power or authority to enter into any agreement or undertaking for, or act on behalf of, or to act as or be an agent or representative of, or to otherwise bind, the any other Party.


This Agreement may be executed in any number of counterparts, including in facsimile and electronic formats (including portable document format (.pdf) and with the use of an electronic or digital signature, each of which shall be deemed an original and all of which, when taken together, shall constitute one and the same instrument. Any signature page of this Agreement may be detached from any counterpart of this Agreement without impairing the legal effect of any signatures thereon.

IN WITNESS WHEREOF, the Parties have executed this LGIA Agreement in duplicate originals, each of which shall constitute and be an original effective Agreement between the Parties.

ARIZONA PUBLIC SERVICE COMPANY

[Insert name of Joint Participant(s)]
By Name:
By: ______________________________
Title: ______________________________
Date: ______________________________

SALT RIVER PROJECT AGRICULTURAL IMPROVEMENT AND POWER DISTRICT

Name: ______________________________
Title: ______________________________
Date: ______________________________
INTERCONNECTION CUSTOMER

Name: ____________________________

Title: ____________________________

Date: ____________________________ Date: ____________________________

{Insert name of Interconnection Customer}

By: ____________________________

Title: ____________________________

Date: ____________________________
Appendix A to LGIA

Interconnection Facilities, Network Upgrades and Distribution Upgrades

1. Interconnection Facilities:
   (a) [insert Interconnection Customer’s Interconnection Facilities]:
   (b) [insert Transmission Provider’s JPP Interconnection Facilities]:

2. Network Upgrades:
   (a) [insert Stand-Alone Network Distribution Upgrades]:
   (b) [insert Other Shared Network Upgrades]:

FIGURE 1
FIGURE 2

3. Distribution Upgrades:
Appendix B to LGIA

Milestones

The following Milestones will be achieved as follows:

1. Requested In-Service Date – to be set forth in the Engineering, Procurement and Construction Agreement.
2. Date of completion of Network Upgrades –
3. Permits –
4. Commercial Operation Date:

Affected Systems:
Appendix C to LGIA

Interconnection Details

[Interconnection Requirements to Be Developed And Provided By Operating Agent] Requested Capacity In-service (MW)

At the end of the Seven Year Queue Limit, the amount of capacity actually in service is [ MW] and shall be the maximum interconnection service allowed.
Appendix D to LGIA

Security Arrangements Details

Infrastructure security of JPP equipment and operations and control hardware and software is essential to ensure day-to-day Transmission System JPP reliability and operational security. All Joint Participants, and Interconnection Customers interconnected to the JPP are expected to comply with the recommendations offered by the President’s Critical Infrastructure Protection Board and, eventually, best practice recommendations from the electric reliability authority. All public utilities will be expected to meet basic Applicable Reliability Standards. Operating Agent meets, and expects its Interconnection Customers to meet, standards for system infrastructure and operational security, including physical, operational, and cyber-security practices.
Appendix E to LGIA

Commercial Operation Date

This Appendix E is a part of the LGIA between JPP and Interconnection Customer. [Date]

[JPP Operating Agent Address]

Re: ________________ Large-___ Generating Facility

Dear ________________:

On [Date] [Interconnection Customer] has completed Trial Operation of Unit No. ___ ___. This letter confirms that [Interconnection Customer] has achieved the Commercial Operation Date of Unit No. ___________ at the Large-Generating Facility, effective as of [Date plus one day]. The Capacity In-Service is ____________ MW.

Thank you.

[Signature]

[Interconnection Customer Representative]
Addresses for Delivery of Notices and Billings

Notices:

**Transmission Provider:**

Salt River Project
[To be supplied.]
Attn: Director, Transmission Planning Strategy & Development
Mail Station POB100
P.O. Box 52025
Phoenix, AZ 85072-2025

Interconnection Customer:
[To be supplied.]

Billings and Payments:

**Transmission Provider:**

Salt River Project
[To be supplied.]
Attn: Director, Transmission Planning Strategy & Development
Mail Station POB100
P.O. Box 52025
Phoenix, AZ 85072-2025

[To be supplied.]

Interconnection Customer:
[To be supplied.]

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

**Transmission Provider:**

Salt River Project
Attn: Manager, Transmission Participation & Interconnection Projects
Mail Station POB100
[To be supplied.]  
Interconnection Customer:

[To be supplied.]
Appendix G to LGIA

Interconnection Requirements for a Wind Generating Plant

Requirements of Generators Relying on Newer Technologies

A. Technical Standards Applicable to a Wind Generating Plant

i. Low Voltage Ride-Through (LVRT) Capability

A wind generating plant shall be able to remain online during voltage disturbances up to the time periods and associated voltage levels set forth in the standard in Figure 1, below, if the Cluster System Impact Study shows that low voltage ride-through capability is required to ensure safety or reliability.

The standard applies to voltage measured at the Point of Interconnection as defined in this Agreement. The figure shows the ratio of actual to nominal voltage (on the vertical axis) over time (on the horizontal axis). Before time 0.0, the voltage at the transformer is the nominal voltage.

At time 0.0, the voltage drops. If the voltage remains at a level greater than 15 percent of the nominal voltage for a period that does not exceed 0.625 seconds, the plant must stay online. Further, if the voltage returns to 90 percent of the nominal voltage within 3 seconds of the beginning of the voltage drop (with the voltage at any given time never falling below the minimum voltage indicated by the solid line in Figure 1), the plant must stay online. The Interconnection Customer may not disable low voltage ride-through equipment while the wind plant is in operation.

Two key features of this regulation are:

1. A wind generating plant must have low voltage ride-through capability down to 15 percent of the rated line voltage for 0.625 seconds;
2. A wind generating plant must be able to operate continuously at 90 percent of the rated line voltage, measured at the high voltage side of the wind plant substation transformer(s).

* per unit = Ratio of Actual to Nominal Voltage

Figure 1 Proposed low voltage ride-through standard
ii. **Power Factor Design Criteria (Reactive Power)**

A wind generating plant shall maintain a power factor within the range of 0.95 leading to 0.95 lagging, measured at the Point of Interconnection as defined in this Agreement, unless the Cluster System Impact Study shows that such a requirement is unnecessary to ensure safety or reliability. The power factor range standard can be met by using, for example, power electronics designed to supply this level of reactive capability (taking into account any limitations due to voltage level, real power output, etc.) or fixed and switched capacitors if agreed to by Operating Agent, or a combination of the two. The Interconnection Customer shall not disable power factor equipment while the wind plant is in operation. Wind plants shall also be able to provide sufficient dynamic voltage support in lieu of the power system stabilizer and automatic voltage regulation at the generator excitation system unless the Cluster System Impact Study shows this not to be required for system safety or reliability.

iii. **Supervisory Control and Data Acquisition (SCADA) Capability**

The wind plant shall provide SCADA capability to transmit data and receive instructions from the Transmission Provider to protect system reliability. The Transmission Provider and the wind plant Interconnection Customer shall determine what SCADA information is essential for the proposed wind plant, taking into account the size of the plant and its characteristics, location, and importance in maintaining generation resource adequacy and transmission system reliability in its area.
Appendix H-1

Exhibit 1
[FORM OF]
Common Facilities

This Exhibit 1 appendix identifies Common Facilities, and their respective costs, associated with the JPP [specify switchyard, substation or line] Joint Participant Project SWV 230kV Switchyard to which interconnection is provided for under this Agreement.

<table>
<thead>
<tr>
<th>Common Facilities</th>
<th>Original Installed Cost as of (month/year OIC)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Land &amp; Land Rights</td>
<td>$</td>
</tr>
<tr>
<td>Structures &amp; Improvements</td>
<td>$</td>
</tr>
<tr>
<td>Roads Engineering</td>
<td>$472,503</td>
</tr>
<tr>
<td>Overhead Conductor Project Management / Inspection</td>
<td>$7,028</td>
</tr>
<tr>
<td>Land / Environmental / Survey</td>
<td>$785,370</td>
</tr>
<tr>
<td>Site Preparation, Access, Clean-up, Lighting</td>
<td>$1,154,701</td>
</tr>
<tr>
<td>Station Service Landscaping</td>
<td>$54,298</td>
</tr>
<tr>
<td>Meter Relay/Control Safety &amp; Security</td>
<td>$36,829</td>
</tr>
<tr>
<td>Digital Fault Recorder Cable Trench</td>
<td>$268,666</td>
</tr>
<tr>
<td>Ground Grid</td>
<td>$108,429</td>
</tr>
<tr>
<td>AC Aux Power System</td>
<td>$158,327</td>
</tr>
<tr>
<td>DC Power System</td>
<td>$104,507</td>
</tr>
<tr>
<td>Support Structures</td>
<td>$1,292,485</td>
</tr>
<tr>
<td>Communications System</td>
<td>$356,026</td>
</tr>
<tr>
<td>Main Busses</td>
<td>$475,112</td>
</tr>
<tr>
<td>Subtotal Supervisory Control</td>
<td>$1,337,038</td>
</tr>
<tr>
<td>Control Cable</td>
<td>$124,319</td>
</tr>
<tr>
<td>230kV CCVTs</td>
<td>$195,712</td>
</tr>
</tbody>
</table>

1 Specify component of the JPP
Administrative & General Expenses Control House

$ 337,533

TOTAL

$ 7,268,883
This Exhibit 2 appendix provides the methodology for calculation of a one-time payment to be made by Interconnection Customer for use of Common Facilities.

The one-time payment by Interconnection Customer is calculated as follows:

\[ P = (OIC + X) \times CRR \]

Where:

- \( P \) = Payment by Interconnection Customer for use of Common Facilities
- \( OIC \) = Original Installed Costs of Common Facilities prior to Interconnection Customer’s interconnection, as shown on Appendix H-1
- \( X \) = Cost of Capital Improvements of Common Facilities from June 2003 to date\(^2\)
- \( CRR \) = Interconnection Customer’s Cost Responsibility Ratio as calculated pursuant to Appendix I

\[ P = OIC \times CRR \]

Where:

- \( P \) = Payment by Interconnection Customer for use of Common Facilities
- \( OIC \) = Original installed costs of Common Facilities prior to Interconnection Customer’s interconnections, as shown on Exhibit 1.
- \( CRR \) = Interconnection Customer’s CRR calculated pursuant to Exhibit 5.

\(^2\) The Cost of Capital Improvements of Common Facilities are as of the date of execution of this Agreement. The Cost of Capital Improvements of Common Facilities will be adjusted at the time of invoicing based on the then current amount to be billed.
Appendix I
Cost Responsibility Ratio (CRR)

This appendix sets forth the computation of the Interconnection Customer’s Cost Responsibility Ratio (CRR) for the JPP after Interconnection Customer’s interconnection:

\[
\text{CRR} = \frac{A}{A+B+C}
\]

- \(A\) = Connections used by Interconnection Customer (IC)
- \(B\) = Connections used by JPP
- \(C\) = Connections used by others
- \(X\) = Excluded Connections – Connections created for the sole purpose of facilitating a dedicated substation connection to JPP.

TOTAL NUMBER OF JOINT PARTICIPANTS INTERCONNECTIONS =

<table>
<thead>
<tr>
<th>Connections at JPP - Hypothetical calculation for illustration only</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Name of Connection</strong></td>
</tr>
<tr>
<td>------------------------</td>
</tr>
<tr>
<td>JPP Hypothetical Line 1</td>
</tr>
<tr>
<td>JPP Hypothetical Line 1</td>
</tr>
<tr>
<td>IC Hypothetical Line</td>
</tr>
<tr>
<td>Other interconnector Line</td>
</tr>
<tr>
<td>Excluded Connections</td>
</tr>
<tr>
<td><strong>CRR = ( \frac{1}{1+2+1}) = 25%</strong></td>
</tr>
</tbody>
</table>

Note:
(1) The CRR shall be applied to the one-time payment pursuant to Appendix H-2
(2) The CRR also shall be applied to all other costs and expenses that allocable to Interconnection Customer under this Agreement as set forth in Article 12.5 and Article 14 herein.
Exhibit 3 Appendix J
Third Party Interconnection Reimbursement Methodology

THIRD PARTY INTERCONNECTION REIMBURSEMENT METHODOLOGY

This Exhibit 3 appendix sets forth examples illustrating the responsibilities for future interconnectors (Third Parties) to the JPP Interconnection Facilities to reimburse Interconnection Customer for Interconnection Customer’s initial capital cost expenses for Common JPP Interconnection Facilities pursuant to Article 11.9.3 12.5 of this Agreement.

Key to Tables 1 - 3 in examples below:

### Key to Tables 1—3 in examples below

<p>| | | | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>A</td>
<td>= connections Connections used by Interconnection Customer (Inter. Cust.)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>B</td>
<td>= connections Connections used by Joint Participant Project (JPP)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>C</td>
<td>= connections Connections used by Third Parties</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

1. Table #1 details (illustrative) currently configured cost responsibilities:

<table>
<thead>
<tr>
<th>Table #1—Current JPP Interconnection Configuration</th>
<th>O&amp;M Cost Responsibility</th>
<th>Capital Reimbursement to Inter. Cust.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Inter. Cust. (Del) A = ( \frac{1}{(A + B + C)} )</td>
<td>(Del) ( \frac{1}{(1 + 0 + 0)} )</td>
<td>(Del)</td>
</tr>
<tr>
<td>JPP (Del) B = ( \frac{0}{(A + B + C)} )</td>
<td>(Del) ( \frac{0}{(1 + 0 + 0)} )</td>
<td>(Del)</td>
</tr>
<tr>
<td>Third Party (Del) C = ( \frac{0}{(A + B + C)} )</td>
<td>(Del) ( \frac{0}{(1 + 0 + 0)} )</td>
<td>(Del)</td>
</tr>
</tbody>
</table>
2. Table #2 illustrates cost responsibilities assuming a single future third party interconnector along with the interconnectors of Table #1:

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>(Del) ( \frac{A}{A + B + C} )</td>
<td>(Del) ( \frac{1}{1 + 0 + 1} )</td>
<td>(Del) ( \frac{1}{2} )</td>
</tr>
<tr>
<td>JPP</td>
<td>(Del) ( \frac{B}{A + B + C} )</td>
<td>(Del) ( \frac{0}{1 + 0 + 1} )</td>
</tr>
<tr>
<td>Third Party</td>
<td>(Del) ( \frac{C}{A + B + C} )</td>
<td>(Del) ( \frac{1}{1 + 0 + 1} )</td>
</tr>
</tbody>
</table>

3. Table #3 illustrates cost responsibilities assuming a second future third party interconnector along with the interconnectors of Table #2:

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>(Del) ( \frac{A}{A + B + C} )</td>
<td>(Del) ( \frac{1}{1 + 0 + 1} )</td>
<td>(Del) ( \frac{1}{2} )</td>
</tr>
<tr>
<td>JPP</td>
<td>(Del) ( \frac{B}{A + B + C} )</td>
<td>(Del) ( \frac{0}{1 + 0 + 1} )</td>
</tr>
<tr>
<td>Third Party</td>
<td>(Del) ( \frac{C}{A + B + C} )</td>
<td>(Del) ( \frac{1}{1 + 0 + 1} )</td>
</tr>
<tr>
<td>Inter. Cust.</td>
<td>(Del) $A = \frac{1}{(1 + 0 + 2)}$</td>
<td>(Del) $1 = \frac{1}{(1 + 0 + 2)}$</td>
</tr>
<tr>
<td>JPP</td>
<td>(Del) $B = \frac{0}{(1 + 0 + 2)}$</td>
<td>(Del) $0 = \frac{0}{(1 + 0 + 2)}$</td>
</tr>
<tr>
<td>#1 Third Party</td>
<td>(Del) $C = \frac{1}{(1 + 0 + 2)}$</td>
<td>(Del) $1 = \frac{1}{(1 + 0 + 2)}$</td>
</tr>
<tr>
<td>#2 Third Party</td>
<td>(Del) $C = \frac{1}{(1 + 0 + 2)}$</td>
<td>(Del) $1 = \frac{1}{(1 + 0 + 2)}$</td>
</tr>
</tbody>
</table>

### Table #1 – Current Interconnection Configuration

| Inter. Cust. | (Add) $\frac{1}{(1 + 0)}$ | (Add) $\frac{1}{(1 + 0 + 0)}$ | (Add) $\frac{1}{(1 + 0 + 0)}$ | (Add) |
| JPP | (Add) $\frac{1}{(1 + 0 + 0)}$ | (Add) $\frac{0}{(1 + 0 + 0)}$ | (Add) $\frac{0}{(1 + 0 + 0)}$ | (Add) |
| Third Party | (Add) $\frac{1}{(1 + 0 + 0)}$ | (Add) $\frac{0}{(1 + 0 + 0)}$ | (Add) $\frac{0}{(1 + 0 + 0)}$ | (Add) |

2. Table #2 illustrates cost responsibilities assuming a single future third party interconnector along with the interconnectors of Table #1:

### Table #2 - Potential Third Party Interconnection: for illustration only

| Inter. Cust. | (Add) $\frac{A}{(A + B + C)}$ | (Add) $\frac{1}{(1 + 0 + 1)}$ | (Add) $\frac{1}{(1 + 0 + 1)}$ | (Add) |
| Inter. Cust. | (Add) $\frac{1}{(1 + 0)}$ | (Add) $\frac{1}{(1 + 0 + 0)}$ | (Add) $\frac{1}{(1 + 0 + 0)}$ | (Add) |

*App J-3*
3. Table #3 illustrates cost responsibilities assuming a second future third party interconnector along with the interconnectors of Table #2:

<table>
<thead>
<tr>
<th>Inter. Cust.</th>
<th>JPP</th>
<th>Third Party #1</th>
<th>Third Party #2</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>(Add) $A = \frac{B}{(A + B + C)}$</td>
<td>(Add) $1 = \frac{0}{(1 + 0 + 2)}$</td>
<td>(Add) $1 = \frac{1}{(1 + 0 + 1)}$</td>
</tr>
<tr>
<td></td>
<td>(Add) $1 = (3)$</td>
<td>(Add) $0 = (3)$</td>
<td>(Add) $1 = (3)$</td>
</tr>
<tr>
<td></td>
<td>(Add) $3 = (3)$</td>
<td>(Add) $3 = (3)$</td>
<td>(Add) $3 = (3)$</td>
</tr>
<tr>
<td></td>
<td>(Add) $6 = (3)$</td>
<td>(Add) $6 = (3)$</td>
<td>(Add) $6 = (3)$</td>
</tr>
</tbody>
</table>

**Table #3 - Potential Third Party Interconnection:**

*for illustration only*

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>JPP</td>
<td>(Add) $A = \frac{B}{(A + B + C)}$</td>
<td>(Add) $1 = \frac{0}{(1 + 0 + 2)}$</td>
</tr>
<tr>
<td>Third Party #1</td>
<td>(Add) $1 = \frac{1}{(1 + 0 + 1)}$</td>
<td>(Add) $1 = \frac{1}{(1 + 0 + 1)}$</td>
</tr>
<tr>
<td>Third Party #2</td>
<td>(Add) $1 = \frac{1}{(1 + 0 + 1)}$</td>
<td>(Add) $1 = \frac{1}{(1 + 0 + 1)}$</td>
</tr>
</tbody>
</table>
**Exhibit 4**

**Operating Work**

This Exhibit 4 describes the Operating Work to be performed by Operating Agent, as including, without limitation, all work performed by, or caused to be performed by, the Operating Agent that is necessary for the operation and maintenance of the JPP, which work includes, but is not limited to, the work listed in the Southwest Valley 500 kV Project Development and Operating Agreement (engineering, agreement preparation, purchasing, repair, supervision, training, expediting, inspection, testing, protection, operation, retirement, maintenance, use, management, and making capital improvements). Operating Work shall include any work necessitated by an Operating Emergency.
### Exhibit 5

**[form of]**

**Cost Responsibility Ratio (“CRR”)**

**Appendix K**

**Mitigation Facility Fee**

This Exhibit 5 provides the computation of the Cost Responsibility Ratio (“CRR”) for the JPP after Interconnection Customer’s interconnection:

\[
CRR = \frac{B}{A+B+C} \text{ Where: } \\
A = \text{Connections used by Joint Participants} \\
B = \text{Connections used by Interconnection Customer} \\
C = \text{Connections used by others}
\]

**TOTAL NUMBER OF JOINT PARTICIPANTS INTERCONNECTIONS =**

<table>
<thead>
<tr>
<th>Connections at JPP</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Name of Connection</strong></td>
</tr>
<tr>
<td>Xxxxxxxx</td>
</tr>
<tr>
<td>Etc</td>
</tr>
</tbody>
</table>

**Total Connections =**

**Note:**

1. The CRR shall be applied to the one-time payment pursuant to Exhibit 2
2. The CRR also shall be applied to all other costs and expenses that allocable to Interconnection Customer under this Agreement.
<table>
<thead>
<tr>
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</tr>
</thead>
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<td><strong>Table Insert</strong></td>
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<td>2</td>
</tr>
<tr>
<td><strong>Table moves to</strong></td>
<td>0</td>
</tr>
<tr>
<td><strong>Table moves from</strong></td>
<td>0</td>
</tr>
<tr>
<td><strong>Embedded Graphics (Visio, ChemDraw, Images etc.)</strong></td>
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</tr>
<tr>
<td><strong>Embedded Excel</strong></td>
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</tr>
<tr>
<td><strong>Format changes</strong></td>
<td>0</td>
</tr>
<tr>
<td><strong>Total Changes:</strong></td>
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</tr>
</tbody>
</table>
GIP/GIA Comment Form
The following form is provided for entities to comment on SRP’s proposed GIP and GIA Revisions.

Please change the file name by including your name in the file before e-mailing. For example:
Template: “GIP GIA Comment Form_your name here.docx” becomes: “GIP GIA Comment Form-SRP.docx” if SRP were commenting to its own posting. The filename is included in the footer and updates with the filename; you can force the footer to update with your filename change double clicking the footer field to select then right click and select “update field”.

<table>
<thead>
<tr>
<th>Commenter Name:</th>
<th>Jasmie Guan</th>
</tr>
</thead>
<tbody>
<tr>
<td>Commenter Phone #:</td>
<td>720-447-5725</td>
</tr>
<tr>
<td>Commenter e-mail:</td>
<td><a href="mailto:Jasmie.guan@aes.com">Jasmie.guan@aes.com</a></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Document (GIP/GIA)</th>
<th>Page/Section Reference</th>
<th>Existing language</th>
<th>Reviewer Commentary / Proposed text</th>
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</thead>
<tbody>
<tr>
<td>GIP</td>
<td>Section 3.3.4</td>
<td>An Interconnection Customer shall provide Transmission Provider the additional requested information needed to constitute a valid request within five (5) Business Days after receipt of such notice.</td>
<td>AES Clean Energy urges SRP to consider reverting back to 10 days for interconnection customers (ICs) to cure deficiencies. This would allow sufficient time to gather appropriate information. 10 days to cure deficiency is consistent with industry practices such as Arizona Public Service (APS), the CAISO, and FERC Order 2023.</td>
</tr>
<tr>
<td>GIP</td>
<td>Section 3.3.1. iv.</td>
<td>To initiate a valid Interconnection Request.... “Readiness Milestone M0”</td>
<td>SRP should rewrite this “Readiness Milestone M0” to “Application Fee of $5,000 that is non-refundable and Study Deposit of seventy-five-thousand dollars ($75,000) payment, plus a one-thousand dollars ($1,000) per MW of requested Generating Facility Capacity payment. The Study Deposit shall not exceed two-hundred-fifty-thousand dollars ($250,000).” As written, the tariff creates confusion as what is defined as “Readiness Milestone M0.” Interconnection customers should not rely on the definition section of the tariff to understand cost.</td>
</tr>
<tr>
<td>GIP</td>
<td>Section 3.3.1. vi.</td>
<td>A Security Deposit. If an Interconnection Customer provides a Deposit in Lieu of Commercial Readiness, then the Deposit in Lieu of Commercial Readiness will be used to satisfy the Security Deposit.</td>
<td>SRP should rewrite this section to, “A Security Deposit of one-hundred-thousand dollars ($100,000) in the form of cash or an irrevocable letter of credit that the Transmission Provider may draw upon for Withdrawal Penalties pursuant to Section 3.9.1 of this GIP.” This would clearly identify interconnection customer’s cost responsibilities in the appropriate tariff section.</td>
</tr>
<tr>
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</tr>
<tr>
<td>GIP</td>
<td>Section 3.3.1.vii. Option 4</td>
<td>Submission of a site-specific purchase order for generating equipment specific to the Queue Position, or a statement signed by an officer or authorized agent of the Interconnection Customer attesting that the Generating Facility included is to be supplied with turbines (or equivalent major electric generating components) with a manufacturer’s blanket purchase agreement to which Interconnection Customer is a party. This blanket purchase agreement shall be provided to Transmission Provider.</td>
<td>SRP should clarify that site-specific purchase orders can include transformers purchase order. AES Clean Energy believes that transformers provide the same proof of intent to construct, investment in a long-lead time equipment, and represent “major electric generating components” equivalent to solar panels and inverters as they are one of the key components to connecting generation to the grid. There is precedence from other utilities, including PacifiCorp and Public Service Company of New Mexico. These utilities have similar tariff language as proposed by SRP and allows transformer purchase orders to qualify as site-specific purchase order. Even with precedence from other utilities, AES Clean Energy notes that the industry standards include transformers as a form of generating equipment to support tax purposes. Tax equity lenders consider transformers as a qualifying item to support investment claims for tax credits, including the Production Tax Credit and Investment Tax Credit. The Internal Revenue Service (IRS) also allows transformers when enforcing federal tax laws.</td>
</tr>
<tr>
<td>GIP</td>
<td>Section 3.3.1. vii. Option 3</td>
<td>Option 3: Reasonable evidence (i.e., bid security</td>
<td>AES Clean Energy urges SRP to include resources shortlisted for a RFP as part of Option 3 of commercial readiness requirements. A</td>
</tr>
</tbody>
</table>
held by a LoadServing Entity) that the Generating Facility has been selected in a resource plan or resource solicitation process by or for a Load Serving Entity, or is being developed by a Load-Serving Entity, or is being developed for purposes of a sale to a commercial, industrial, or other large end-use customer;

resource shortlisted for a RFP is a demonstration that the project has commercial interest. Developers will bear the cost and risk of withdrawal penalties if the project needs to withdraw from the queue. Utilities that have implemented or are proposing commercial readiness demonstration, such as Public Service Company of Colorado and APS, have all allowed resources shortlisted for an RFP to demonstrate commercial readiness. To remain consistent with utilities, AES Clean Energy urges SRP to include RFP shortlist as commercial readiness demonstration.

<table>
<thead>
<tr>
<th>GIP</th>
<th>Section 3.3.1. vii.</th>
<th>If Interconnection Customer is unable to satisfy one of the four preceding Commercial Readiness Demonstration options, Interconnection Customer must provide a Deposit in Lieu of Commercial Readiness.</th>
<th>SRP should clarify this section to, “If Interconnection Customer is unable to satisfy one of the four preceding Commercial Readiness Demonstration options, Interconnection Customer must provide a $7.5 million Deposit in Lieu of Commercial Readiness in form of cash, letter of credit, or surety bond.”</th>
</tr>
</thead>
</table>
| GIP          | Section 3.5       | Satisfaction of the Readiness Milestones is required throughout the Interconnection Study process to demonstrate the readiness of Interconnection Customer to develop the Generating Facility. Satisfaction of Readiness Milestone 0 is required at the time Interconnection Customer submits an Interconnection Request. Satisfaction of Readiness Milestone 0 includes a payment of cash, irrevocable | SRP should specify the specific requirements of the readiness milestones 0-2 in this section. SRP should rewrite this section as:

“Satisfaction of the Readiness Milestones is required throughout the Interconnection Study process to demonstrate the readiness of Interconnection Customer to develop the Generating Facility.

Satisfaction of Readiness Milestone 0 is required at the time Interconnection Customer submits an Interconnection Request and include payments of cash by Interconnection Customer to Transmission Provider for the Application Fee, and Study Deposit.

Satisfaction of Readiness Milestone 1 is required at Decision Point I. Readiness Milestone 1 includes a payment of cash, irrevocable
| Milestone 1 is required at Decision Point I. Satisfaction of Readiness Milestone 2 is required at Decision Point II. A Deposit in Lieu of Commercial Readiness will be used to satisfy the Commercial Readiness Milestones of this Section | letter of credit, or surety bond by Interconnection Customer to Transmission Provider in an amount equal to fifty percent (50%) of the cost allocation for the costs of the Network Upgrade(s), and the Point of Interconnection Costs as estimated in the Cluster System Impact Study and Point of Interconnection Facilities Study. M1 payments may be zero but cannot be a negative number. Satisfaction of Readiness Milestone 2 is required at Decision Point II. Readiness Milestone 2 includes a payment of cash, irrevocable letter of credit, or surety bond by Interconnection Customer to Transmission Provider in an amount equal to one hundred percent (100%) of the cost allocation for the costs of the Network Upgrade(s) and Point of Interconnection Costs to the extent not already paid in M1. |

| GIP | Section 3.9.1.ii-iv | AES Clean Energy continues to believe that withdrawal penalties should be based on a multiple of actual used study cost. As proposed, 100% of NU costs are non-refundable at M2 when it is project attrition is unclear between M1 and M2. Remaining interconnection customers will then be at risk to bear any increase network upgrade cost caused by the withdrawn customers. AES Clean Energy urges SRP to consider PacifiCorp and APS’s FERC filed tariff language that measures withdrawal penalties based on multiples of 3, 6, and 9 times actual study costs. If SRP continues to measure withdrawal penalties based on network upgrades, then SRP should decrease the portion of network upgrade required at each decision point. AES supports Interwest’s recommendation of 10% at decision point 1 and 20% at decision point 2. |

<p>| ii. If Interconnection Customer withdraws or is deemed withdrawn after Decision Point I, fifty percent (50%) of the Readiness Milestone 1 payment is non-refundable. If Interconnection Customer provided a Deposit in Lieu of Commercial Readiness the withdrawal penalty shall be the higher of either the fifty percent (50%) of the Readiness Milestone 1 payment or twenty-five percent (25%) of the Deposit in Lieu of Commercial Readiness; |  |</p>
<table>
<thead>
<tr>
<th>iii. If Interconnection Customer withdraws or is deemed withdrawn after Decision Point II, one hundred percent (100%) of all Milestone payments are non-refundable. If Interconnection Customer provided a Deposit in Lieu of Commercial Readiness, the Withdrawal Penalty shall be the higher of either one hundred percent (100%) of all Readiness Milestone payments or the entire Deposit in Lieu of Commercial Readiness; or iv. If Interconnection Customer withdraws or is deemed withdrawn from the Transition Process the entire transitional study deposit in non-refundable.</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Section 3.9.2</strong> Withdrawal Penalty revenues associated with the non-refundable Deposit in Lieu of Site Control or the non-refundable Deposit in Lieu of Commercial Readiness shall be used to fund the Network Upgrade(s) for Interconnection Customers remaining in the same</td>
</tr>
<tr>
<td><strong>SRP</strong> should clarify that the commercial readiness deposit is refundable. In Section 3.3.1, SRP states, “If Interconnection Customer obtains Commercial Readiness after making the Deposit in Lieu of Commercial Readiness, the Deposit will be released less the Security Deposit and any Readiness Milestone payments”</td>
</tr>
<tr>
<td>Section</td>
</tr>
<tr>
<td>---------</td>
</tr>
<tr>
<td>3.10.iii</td>
</tr>
<tr>
<td>5.2.1</td>
</tr>
<tr>
<td>Section 5.2.1</td>
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<tr>
<td>For the transitional process - Option 3: Reasonable evidence (i.e., bid security held by a Load-Serving Entity) that the Generating Facility has been selected in a resource plan or resource solicitation process by or for a Load-Serving Entity, is being developed by a Load-Serving Entity, or is being developed for purposes of a sale to a commercial, industrial, or other large end-use customer; or Option 4: Submission of a site-specific purchase order</td>
</tr>
<tr>
<td>Given that SRP is proposing significant changes to its GIA, interconnection customers should be provided 60 days to satisfy transitional process requirements. 60 days for compliance is consistent with FERC jurisdictional entities for compliance once proposed tariffs are approve, such as PSCo's recent tariff reforms.</td>
</tr>
<tr>
<td>For Option 4: SRP should clarify that site-specific purchase orders can include transformers purchase order. AES Clean Energy believes that transformers provide the same proof of intent to construct, investment in a long-lead time equipment, and represent “major electric generating components” equivalent to</td>
</tr>
</tbody>
</table>
for generating equipment specific to the Queue Position, or a statement signed by an officer or authorized agent of the Interconnection Customer attesting that the Generating Facility included is to be supplied with turbines (or equivalent major electric generating components) 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 Commercial Readiness Demonstration does not cover the total MWs of Interconnection Service Requested, the Interconnection Customer shall provide a Deposit in Lieu of Commercial Readiness.

An additional transitional study deposit in the form of cash or an irrevocable letter of credit upon which Transmission Provider may draw or cash as follows:

SRP should allow surety bonds to satisfy study deposit form of payment as it holds similar value to cash and letter of credits.

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Even with precedence from other utilities, AES Clean Energy notes that the industry standards include transformers as a form of generating equipment to support tax purposes. Tax equity lenders consider transformers as a qualifying item to support investment claims for tax credits, including the Production Tax Credit and Investment Tax Credit. The Internal Revenue Service (IRS) also allows transformers when enforcing federal tax laws.
<table>
<thead>
<tr>
<th>Section 5.2.2</th>
<th>The Transitional System Impact Study will consider a short circuit analysis, a stability analysis, a power flow analysis, and other analyses as needed to assess reliability. This Transitional System Impact Study is a hybrid serial-cluster type study, in which all Interconnection Requests that have met the transition requirements will be studied as a cluster, with Queue Positions preserved to assess mitigations serially.</th>
<th>SRP should provide additional clarity on the transitional serial process. Once a project pays its appropriate deposit, how much network upgrade costs are required at each stage of the interconnection process and how would refundability apply?</th>
</tr>
</thead>
<tbody>
<tr>
<td>Site Control BP</td>
<td>SRP provides acreage required each technology type.</td>
<td>SRP should clarify that the solar acreage requirements apply to either or both AC/DC units. In addition, SRP should also allow IC to provide evidence that a project can fit onto an alternative site size. AES Clean Energy recommends using PacifiCorp tariff language that states, “Interconnection Customer may propose alternative specifications for site size to those posted on OASIS for Transmission Provider approval. In the event Transmission Provider and Interconnection Customer cannot reach agreement related to adequacy of site size, Transmission Provider will accept a Professional Engineer (licensed in the state of the Point of Interconnection) stamped site plan drawing that depicts the proposed generation arrangement and specifies the maximum facility output for that arrangement.” (PacifiCorp OATT, Section 38.4.1(iii)(a))</td>
</tr>
<tr>
<td></td>
<td></td>
<td>SRP should specify in Business Practice that projects on public lands can qualify as regulatory limitations and be allowed to submit a deposit in lieu.</td>
</tr>
</tbody>
</table>
August 22, 2023

Dear Salt River Project Company,

Thank you for the opportunity to submit questions regarding the Standard Generator Interconnection Procedures (SGIP) advanced of the SRP informational stakeholder meeting on August 24, 2023. AES Clean Energy plans to submit comments on the draft SGIP by the comment deadline on September 13, 2023. However, AES Clean Energy provides initial questions on the draft SGIP below.

- The SGIP states the interconnection procedures applies to projects regardless of size. Will all generation size be subject to the same financial commitments (i.e. study deposit, security deposit, commercial readiness deposit in lieu)?
- AES Clean Energy highly supports SRP’s proposal to include a deposit in lieu of commercial readiness. Can SRP clarify what amount of deposit and form of acceptable payment will be required in lieu of commercial readiness in Section 3.3.1(v)(v.i.)?
- Does the regulatory limitation as written in the Site Control Business Practice qualify tribal projects unable to obtain site control as a “regulatory limitation”?
- Can SRP clarify in Section 3.3.1(v) that the deposit in lieu of Site Control due to regulatory limitations is $500,000?
- Can SRP clarify the Readiness Milestones required in Section 3.5 and Section 3.3.1 (iv)?
- Can SRP clarify examples of site specific purchase orders in Section 3.3.1(vii) Option 4? Do transformer qualify as a site-specific purchase order?
- Can SRP clarify the level of study deposit required in Section 3.3.1?
- Can SRP clarify the level of security deposit required in Section 3.3.1?

AES Clean Energy looks for continued engagement with SRP staff on the SGIP. Please let me know if there are any questions.

Sincerely,

/s/ Jasmie Guan

Jasmie Guan
Senior Specialist, Interconnection Policy
AES Clean Energy Development, LLC
2180 South 1300 East Suite 600
Salt Lake City, Utah 84106-4462
Jasmie.Guan@aes.com
July 31, 2023
Salt River Project

To Whom it May Concern:

AES Clean Energy appreciates the opportunity to provide informal feedback and requests clarifications regarding Salt River Project Company’s (SRP’s) draft Large Generator Interconnection Procedures (Draft LGIP) revisions. AES Clean Energy is one of the top renewable energy growth platforms in the country. AES Clean Energy is focused on accelerating the safe, reliable transition to clean energy solutions such as wind, solar, and energy storage in the United States. AES Clean Energy looks forward to continued engagement with SRP to improve the interconnection process and ensure policies adopted are fair, equitable, and to ensure the most ready projects are accepted and progress through the interconnection queue. Below, AES Clean Energy provides comments on SRP’s revisions on the cluster study process, withdrawal penalties, site control, commercial readiness demonstration, and the transitional study process.

1. General Cluster Study Process
SRP proposes using a first-ready, first served cluster study process that will commence annually and take approximately 440 days to complete.

AES Clean Energy generally supports cluster study processes. However, AES Clean Energy seeks clarification on the process timeline. As proposed, the cluster studies will take 440 days to complete, which overlaps the following year’s cluster study cycle. How does SRP intend to have two cluster cycles be studied at the same time during the overlap? In addition, AES Clean Energy seeks clarification on how SRP intends to coordinate the cluster study process timelines with SRP’s resource planning processes.

2. Application Fees and Study Deposits
SRP proposes interconnection customers to submit a non-refundable application fee in amount of $5,000 and a refundable (less any study costs) study deposit in the amount of $75,000 plus $1,000/MW not exceeding $250,000.

AES Clean Energy is generally supportive of SRP’s proposed application fee and study deposit structure and proposed costs.

3. Site Control
To join the annual cluster, SRP proposes interconnection customers to demonstrate site control or provide a non-refundable deposit in lieu of site control due to regulatory limitations in the amount of $500,000.

AES Clean Energy seeks clarification on the site control requirement. SRP should clarify in the Open Access Transmission Tariff (OATT): (1) the level of site control that is required for the project (i.e. 50%, 100%); (2) whether site control must be attained at the generating facility and/or the generation level; and (3) the acreage requirements specific for each technology type. In addition, AES Clean Energy supports the option to post a non-refundable deposit in lieu of site

1
control in the amount of $500,000. However, AES Clean Energy seeks clarification on what circumstances encompasses "regulatory limitations." AES Clean Energy recommends defining "regulatory limitations" in the LGIP to prevent confusion.

AES Clean Energy also seeks clarification on what constitutes as "regulatory limitations" in the deposit in lieu of site control option. AES Clean energy urges SRP to include state, federal, and tribal lands to qualify as 'regulatory limitations" given that these public lands require extensive time to acquire compared to private lands. Specifically, AES Clean Energy recommends SRP to adopt tariff language similar to PacifiCorp regarding site control requirements for public lands that states:

"For purposes of lands managed by a governmental entity (such as BLM), a PPOD or equivalent government-issued documentation, shall be sufficient for demonstrating Site Control as to such government-managed land."

4. Commercial Readiness Demonstration

To join the cluster, SRP proposes customers to provide proof of commercial readiness in form of an executed term sheet, an executed contract for the sale of generating facility, reasonable evidence that the generating facility has been selected in a resource plan or a site-specific purchase order for the generating equipment.

AES Clean Energy believes SRP's proposed commercial readiness demonstration requirements will effectively eliminate the ability for independent power producers (IPPs) to enter the interconnection queue, harming open access. SRP’s proposed commercial readiness framework is misaligned with the typical development framework. Requiring executed term sheets, executed contract for the sale of generating facility, resource plan selection, or providing a site-specific purchase order prior to entering the interconnection is near impossible for IPPs as cost certainty for contracting cannot be obtained until facility studies are completed. The proposed site-specific purchase order for a generating equipment, although not a contract form of commercial readiness, is also difficult for interconnection customers to provide since customers do not have economic certainty that the proposed project is feasible until studies are completed. If SRP moves forward with this commercial readiness framework, SRP should clearly articulate what qualifies to meet each one of the options. Specifically, AES Clean Energy recommends site-specific purchase order generating equipment to include generator set ups and transformers.

AES Clean Energy urges SRP to include a deposit in lieu of commercial readiness demonstration to maintain open access given that the proposed requirements are infeasible for IPPs. AES Clean Energy notes that FERC recently reject Public Service Commission of Colorado’s (PSCO’s) attempt to eliminate the security deposit in lieu of commercial readiness option in Docket 23ER-629-001. FERC specifically noted that the PSCO’s proposed commercial readiness requirements, which are similar to SRP’s proposal, is too stringent for IPPs to meet

*See for example: PacifiCorp OATT, p. 139.
https://www.oasis.oati.com/woa/docs/PPW/PPWdocs/20230208_OATTMaster.pdf*
and requested PSCo to reinclude a security deposit in lieu of commercial readiness option. While SRP is a political subdivision of Arizona, AES Clean Energy believes that SRP should consider the precedence of prior FERC rulings regarding commercial readiness. AES Clean Energy recommends SRP to include a deposit in lieu of commercial readiness options in the amount of $5,000/MW - $7,000/MW, consistent with industry standards.

5. Commercial Readiness Milestone Payments and Withdrawal Penalties
In addition to the commercial readiness demonstration listed in Section 4., SRP proposes interconnection customers to provide additional commercial readiness milestone payments after Phase 1 studies and Phase 2 studies. Commercial readiness M1 payment is due after Phase 1 studies and equals to 50% of the cost allocation for the network upgrades, shared network upgrades, and other interconnection costs. Commercial Readiness M2 payment is due after Phase 2 studies and equals to the amount equal to the cost allocation for the network upgrades, shared network upgrades, and other interconnection costs less amount paid in M1.

SRP also proposes withdrawal penalties coincide with the commercial readiness milestone payments. If an interconnection customer withdraws after Phase 1 studies, 50% of the M1 payment is non-refundable. If an interconnection customer withdraws after Phase 2 studies, the M2 payment, or 100% of all network upgrade and interconnection costs, is non-refundable.

AES Clean Energy does not support SRP’s proposal to assess withdrawal penalties based on network upgrade costs. Instead, AES Clean Energy believes that the withdrawal penalties should be based on a multiple of a known costs, such as incurred study costs. For example, SRP should consider PacifiCorp’s withdrawal penalty structure that is based on actual study costs. As proposed, network upgrade costs are unknown to the interconnection customer, creating uncertainty and larger risks to interconnection customers. Understanding that some multiple of incurred study costs are at risk will allow interconnection customers to have a better estimate of their risk, and thus carefully select to enter the queue.

If SRP moves forward with utilizing network upgrade costs as the measure for withdrawal penalties, AES Clean Energy urges SRP to make some portion of the Phase 2 decision point refundable. FERC Order 2003 has generally required network upgrade costs to be refundable. In addition, the full network upgrades costs after Phase 2 are still unknown given projects may drop out and cause restudies. Therefore, having all posted security be non-refundable may not be equitable to interconnection customers given cost uncertainties.

6. Transition Process
SRP proposes a transitional cluster study process for existing interconnection customers. To enter the transitional cluster, interconnection customers must provide all of the following: (1) demonstrate commercial readiness as discussed in Section 4; (2) demonstrate site control; and (3) provide a study deposit payment of $5 million in letter of credit, or 100% of the costs identified in the final System Impact Study report or Facilities Study report if the customer has

completed a system impact system. Existing interconnection customers will be kicked out of the interconnection queue and receive a refund of their deposit and study funds that have not already been expended.

AES Clean Energy believes that existing interconnection customers that have (1) completed their facilities studies; (2) are currently in LGIA negotiation; and (3) have executed interconnection agreements should be exempt from the transitional study process and move forward. Projects in the aforementioned circumstances are already far in the study process and should not be restudied in the transitional cluster. AES Clean Energy requests SRP to specify the start date of the transitional cluster and allow a 60 day period after the SRP Board acceptance date for existing customers to withdraw penalty free.

Regarding the transitional cluster entry requirements, AES Clean Energy has concerns regarding the commercial readiness and site control requirements. AES Clean Energy’s commercial readiness requirements concerns mirror to comments above in Section 4. and urge an option to allow a deposit in lieu of commercial readiness. AES Clean Energy also urges SRP to include a deposit in lieu of site control due to regulatory limitations as much of Arizona’s land is considered public land.

7. Stakeholder Process
AES Clean Energy highly recommends SRP to conduct a full stakeholder process to discuss proposed change and redlined LGIP prior to bringing the matter to the SRP Board of Governors.

Respectfully submitted,
/s/Jasmie Guan

Jasmie Guan
Senior Specialist, Interconnection Policy
AES Clean Energy Development, LLC
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Salt Lake City, Utah 84106-4462
Jasmie.Guan@aes.com
GIP/GIA Comment Form
The following form is provided for entities to comment on SRP’s proposed GIP and GIA Revisions.

Please change the file name by including your name in the file before e-mailing. For example:
Template: “GIP GIA Comment Form_your name here.docx” becomes: “GIP GIA Comment Form_SRP.docx” if SRP were commenting to its own posting. The filename is included in the footer and updates with the filename; you can force the footer to update with your filename change double clicking the footer field to select then right click and select “update field”.

| Commenter Name: | Betty Fung |
| Commenter Phone #: | 352-901-0113 |
| Commenter e-mail: | bfung@avantus.com |

<table>
<thead>
<tr>
<th>Document (GIP/GIA)</th>
<th>Page/Section Reference</th>
<th>Existing language</th>
<th>Reviewer Commentary / Proposed text</th>
</tr>
</thead>
<tbody>
<tr>
<td>SRP GIP Redline</td>
<td>23/3.3.1</td>
<td>Written confirmation that the Interconnection Customer is authorized to transact business in Arizona.</td>
<td>Please clarify if existing projects intending to enter Transition Cluster Study will be required to provide written confirmation that IC is authorized to transact business in AZ</td>
</tr>
</tbody>
</table>
During the Customer Engagement Window, Transmission Provider will host an open Scoping Meeting for all valid Interconnection Request(s) received in the Cluster Request Window.

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, and to analyze such information and to determine the potential feasible options. In addition, an Interconnection Customer’s request to evaluate whether advanced power flow control, transmission switching, dynamic line ratings, static synchronous compensators, static VAR compensators, and/or electric storage providing a transmission service could provide cost and/or time savings for Interconnection Customer must be submitted by the Scoping Meeting. 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 Transmission Provider subsequently shall disburse payment to appropriate Interconnection Customer(s) from an earlier Cluster(s) with previously assigned costs associated with the Shared Network Upgrade(s) in accordance with Section 4.2 of this GIP. If the Shared Network Upgrade(s) is not in service before the Generating Facility’s Commercial Operation Date, Interconnection Customer shall not be required to make a payment under Section 4.2 of this GIP until the Shared Network Upgrade(s) is in service. In the event that Interconnection Customer fails to meet its obligation to fund Shared Network Upgrade(s), Transmission Provider shall not be responsible for Interconnection Customer’s funding obligation.

Please clarify if the intention for this language is for NU costs allocated to higher-queued to be assigned to lower-queued projects that will benefit from the NU.

Avantus respectfully recommends SRP separate and exempt queue positions with a finalized FaS report (and beyond) to be subject to re-study unless IC chooses to.

If, as of the Effective Date of GIP, Interconnection Customer has executed a large generator interconnection agreement or a small generator interconnection agreement, then Interconnection Customer may join the Transition Process if Interconnection Customer: (i) provides an additional deposit equal to $1,000,000 or one hundred percent (100%) of the costs identified for Interconnection Customer’s Network Upgrades in Interconnection Customer’s most recent Interconnection System Impact Study report, whichever is greater; and (ii) executes a Transitional System Impact Study Agreement.

Please clarify if projects that are in service, in construction, or provided Notice to Proceed would still be subject to Transition requirements under 5.2.1.

Additionally, Avantus requests SRP to consider deferring full Site Control requirements to enter Transition Facility Study instead of Transition Cluster Study.
<table>
<thead>
<tr>
<th>SRP GIP Redline</th>
<th>41/5.2.1 (iv)</th>
<th>Please clarify whether the sentence allows IC to enter Transition using a Deposit in Lieu of Commercial Readiness in general without demonstrating any of Option 1 – 4, and not exclusive to a scenario where one of them are partially met.</th>
</tr>
</thead>
<tbody>
<tr>
<td>SRP GIP Redline</td>
<td>43/5.2.3</td>
<td>Recommend the re-study costs be covered by the withdrawal penalties that SRP collects, otherwise it may contradict language in section 3.9.2 and the last paragraph of Section 11.3</td>
</tr>
<tr>
<td>SRP GIP Redline</td>
<td>51-53/7.1, 7.2</td>
<td>Please clarify if POI FaS and NU FaS is to take place concurrently, staggered, or back-to-back.</td>
</tr>
<tr>
<td>SRP GIP Redline</td>
<td>55/9.1</td>
<td>Highlighted bit in Section 9.1 looks to be a typo</td>
</tr>
<tr>
<td>SRP GIP Redline</td>
<td>56/9.3</td>
<td>Recommend providing IC 60 day turnaround since TP is to extend the draft issuance period to 60 days</td>
</tr>
</tbody>
</table>
From: Betty Fung <bfung@avantus.com>
Sent: Monday, July 17, 2023 7:46 PM
To: srpoattrevisions@srpnet.com
Cc: Patrick Tan <ptan@avantus.com>; Ali Chowdhury <achowdhury@avantus.com>; James MacPherson <jmacpherson@avantus.com>; Julie Love <jlove@avantus.com>; Jason Moretz <jmoretz@avantus.com>; Kevin Johnson <kjohnson@avantus.com>; Dainen Bocsary <dbocsary@avantus.com>
Subject: SRP LGIP Reform Questions (Avantus)

Hi SRP Team:

Avantus has the following questions for SRP regarding its LGIP reform:

1. Is Site Control required to enter Transitional Cluster Process or is In-Lieu option available similarly to First Ready, First Serve (FRFS)?
2. Will projects with finalized Facility Study or Facility Study Agreement be required to enter Transition Cluster or the first FRFS Cluster to execute LGIA?
   a) In general, please specify requirements for existing queue positions to reach LGIA execution.
b) We believe any project with an executed Facility Study Agreement should be allowed to transition toward LGIA execution.

3. The 50% of upgrades cost deposit at M1 and remaining 50% of upgrades cost deposit at M2 are quite high. These should either be reduced to closer to 10%-20% of total cost or a reasonable maximum deposit needs to be implemented.
   a) We request that a quantifiable cap to be included as part of the reforms

4. Can SRP add a Commercial Readiness In-Lieu milestone at application, such as $3,000/MW.

5. Can SRP provide further guidelines on using Site Specific Purchase Order as demonstration of Commercial Readiness?
   a) Specific equipment type that qualifies (e.g., transformers, inverters, panels)
   b) Specific language SRP would require seeing in the Purchase Order contract

6. Please confirm the method under which SRP plans to allocate upgrade costs for future cluster studies, by category
   a) Pro-rata based on relative size (%MW) or Power Transfer Distribution Factor (DFAX%)
      1. Shared Network Upgrades
      2. Network Upgrades
      3. Other Interconnection costs

7. Please advise on the exact expected timing/duration of the Transition Cluster Study and sequencing between Transition Cluster Study and the 1st First Ready First Served Cluster. FAQ question 8 seem to imply that the new 1st First Ready, First Served Cluster would take place starting Jan, which leaves a very narrow time frame for the Transition Cluster Study to complete if tariff redline is to post ~sept/oct + 30-day public comment + board approval + 30-day transition period.

Should we have additional questions or comments, we will provide those by the 8/1 deadline.

Thank you for your time in advance.

Regards,

Betty Fung
SR MANAGER, TRANSMISSION & INTERCONNECTION

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**GIP/GIA Comment Form_Candela**

The following form is provided for entities to comment on SRP’s proposed GIP and GIA Revisions.

Please change the file name by including your name in the file before e-mailing. For example: Template: “GIP GIA Comment Form_your name here.docx” becomes: “GIP GIA Comment Form_SRP.docx” if SRP were commenting to its own posting. The filename is included in the footer and updates with the filename; you can force the footer to update with your filename change double clicking the footer field to select then right click and select “update field”.

<table>
<thead>
<tr>
<th>Commenter Name:</th>
<th>Ruhua You</th>
</tr>
</thead>
<tbody>
<tr>
<td>Commenter Phone #:</td>
<td>4083981712</td>
</tr>
<tr>
<td>Commenter e-mail:</td>
<td><a href="mailto:Ruhua.you@candelarenewables.com">Ruhua.you@candelarenewables.com</a></td>
</tr>
</tbody>
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<tr>
<th>Document (GIP/GIA)</th>
<th>Page/Section Reference</th>
<th>Existing language</th>
<th>Reviewer Commentary / Proposed text</th>
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</thead>
<tbody>
<tr>
<td>GIP</td>
<td>5.2.2</td>
<td>issue a draft Transitional System Impact Study report to Interconnection Customer within one hundred forty-five (145) Calendar Days after receipt of an executed Transitional System Impact Study Agreement.</td>
<td>Will SRP hold tight on this timeline commitment? Any penalty if SRP slips the delivery date?</td>
</tr>
<tr>
<td>GIP</td>
<td>5.3.1</td>
<td>Transmission Provider shall use Reasonable Efforts to complete the study and issue a draft Transitional Facilities Study report to Interconnection Customer within one-hundredeighty (180) Calendar Days after</td>
<td>Will SRP hold tight on this timeline commitment? Any penalty if SRP slips the delivery date?</td>
</tr>
<tr>
<td><strong>GIP</strong></td>
<td><strong>5.1</strong></td>
<td>If an Interconnection Customer elects to continue with the Transition Process, Transmission Provider will retain Interconnection Customer's current study deposits, and Interconnection Customer will be responsible for an additional deposit pursuant to Section 5.2.1(iv) of this GIP. This deposit is subject to a Withdrawal Penalty, pursuant to Section 3.9.1(iv) of this GIP.</td>
<td></td>
</tr>
<tr>
<td><strong>GIP</strong></td>
<td><strong>3.9.1 (iv)</strong></td>
<td>If Interconnection Customer withdraws or is deemed withdrawn from the Transition Process the entire transitional study deposit in non-refundable.</td>
<td></td>
</tr>
<tr>
<td><strong>GIP</strong></td>
<td><strong>5.2.1</strong></td>
<td>Interconnection Customers joining the Transition Process that are required to demonstrate Site Control, Commercial Readiness and make an additional deposit under Section 5.2.1(iv) must satisfy the following requirements within thirty days:</td>
<td></td>
</tr>
</tbody>
</table>

5.2.1(iv) is only about commercial readiness and it did not include other deposits required for entering transitional cluster. Does SRP intend to mention section 5.2.1 instead of 5.2.1(iv)?

Only transitional study deposit is stated as non-refundable here. It was not clear from the tariff whether deposits in lieu of commercial readiness is refundable if a transitional cluster project withdraws. Can SRP add certain language to clarify?

It was not clear to us whether those deposits can be returned to the interconnection customer if the interconnection customer is able to secure site control and commercial readiness after these deposits are submitted. Can you please clarify?

It has been a widely accepted industry practice that these kinds of deposits can be refunded if the interconnection customer is able to demonstrate site control and commercial readiness during the project development process. We would recommend SRP adopt this practice as well.
| GIP | 3.8.1 | 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 GIP. Transmission Provider will invite such Affected System Operators in all meetings held with Interconnection Customer as required by this GIP. Interconnection Customer will cooperate with Transmission Provider in all matters related to the conduct of studies and the determination of modifications to Affected Systems. | This is different from the existing practice, where interconnection customers are supposed to contact the affected system. Will this rule apply to projects entering transitional cluster? |
| GIP | 4.3.3 | Shared network upgrades | The rule here does not apply to short circuit mitigation. Is there any rule to allocate network upgrade cost that is for short circuit mitigation? |
ANPP HVS has a specific four procedures approved by E&O committee to address short circuit impacts. Will these four procedures still be valid after the SRP reform?

<table>
<thead>
<tr>
<th>GIA</th>
<th>ANPP HVS GIA 5.17</th>
<th>Suspension</th>
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Can projects in transitional cluster practice the right of suspension? For some transitional cluster projects who entered interconnection queue much earlier, due to the previous lengthy interconnection process, many years have already passed even before the projects were able to negotiate a GIA. It is already becoming impossible for those projects to meet this “seven year queue limit” requirement, especially if the project want to exercise the suspension right. Will SRP provide different guidance on “queue limit” and suspension right to very early queued projects?

Business practice manuals

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Comments: SRP has stated that business practice manuals on site control and commercial readiness will be available in October, which leaves very little time for interconnection customer to comply with the requirements if the deadline for transitional cluster decision is Dec 7th. Would SRP consider extend the timeline to be 60 days after the effective date of the new LGIP – same as what APS is proposing?
Candela Renewables offers these comments on the resource-interconnection process reforms proposed by Salt River Project in the June 9, 2023, document LGIA and LGIP Review Update. The Update contains proposed reforms to screen projects entering the Large Generator Interconnection Process (LGIP), and those already in the interconnection process that have not yet executed a Generator Interconnection Agreement (GIA). These screens are intended to help ensure that the most viable projects move forward, implementing “First-Ready, First-Served” principles under a cluster-study framework.

Candela’s comments focus on existing projects in the interconnection process, especially those located on public land under management by the federal Bureau of Land Management (BLM). These projects may have completed one or more Interconnection Studies (System Impact Study (SIS), and perhaps also Facilities Study (FaS)), or they may still be in the SIS process.

The Update proposes that, to move forward and enter the proposed Transitional Study Process (TSP), projects in the queue must meet all of the following requirements:

1. **Commercial readiness demonstration:** (a) Executed term sheet; (b) executed contract for sale of the project; (c) reasonable evidence that the project has been selected in a resource plan; or (d) site-specific purchase order for the generating equipment.

2. **Site control demonstration** for the land needed by the project: (a) ownership of, leasehold interest in, or right to develop; (b) option to purchase or acquire a leasehold site for such purpose; (c) agreement demonstrating shared land use for all co-located resources; or (d) other documentation clearly demonstrating the project right to exclusively occupy the site.

3. **Study deposits:** (a) $5 million irrevocable letter of credit; or (b) for projects with a completed SIS or FaS, cash deposit of 100% of the costs identified in that study.

**Summary of Candela Recommendations**

Candela shares the interest of SRP and other stakeholders in updating interconnection queue protocols to ensure that interconnection requests can be evaluated expeditiously and economically. However, Candela is concerned that the reforms proposed by SRP for existing queue applicants, while intended to exclude non-viable projects, may have the unintended effect of increasing the study burden and disqualifying highly viable projects from participation in the proposed TSP. To address these concerns, Candela proposes the following:

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1. On July 25, 2022, the Federal Regulatory Energy Commission (FERC) issued a notice of proposed rulemaking proposing several modifications to improve generator interconnection processes and agreements. *Improvements to Generator Interconnection Procs. & Agreements*, 87 FR 39934 (July 5, 2022), 179 FERC ¶ 61,194 (2022) (“NOPR”). It appears that SRP’s proposed reforms are based in significant part on reforms considered in the NOPR. On July 28, 2023, FERC issued its final rule in that docket. *Improvements to Generator Interconnection Procedures and Agreements*, 18 CFR Part 35 (July 28, 2023), 184 FERC ¶ 61,054 (2023) (“Order 2023”). Order 2023 substantially modifies FERC’s proposals in the NOPR with respect to both the site control and commercial readiness criteria for projects sited on government owned or managed lands and adopts special standards for such projects that are largely consistent with these comments and Candela’s recommendations. Candela is still reviewing Order 2023 and may file supplemental comments.

2. However, Candela is also concerned that the adoption of overly proscriptive eligibility requirements for participation in the proposed First-Ready, First-Served queue cluster may also disqualify active, viable projects sited on BLM land, and, therefore, recommends that consideration should also be given to modifying the eligibility requirements for BLM-sited projects for the proposed follow-on cluster as well.
• **Projects advanced in the interconnection process:** Queue participants with a completed FaS or SIS should be allowed complete the study process and proceed to GIA execution under the current rules (*i.e.*, they should be “grandfathered”), without the need for further study or other requirements.

• **Site Control criterion:** Submission of an executed cost recovery agreement should be sufficient to establish site control for projects sited on BLM lands.

• **Commercial Readiness criterion:** Additional progress in other areas should be allowed to satisfy this criterion, especially in light of the difficulty that early-stage projects will have achieving the proposed milestones in the Update. For example, for projects on BLM lands, publication of an NOI in the Federal Register – indicating that the project is being advanced proactively by the developer and BLM – should allow a project to move forward into the TSP.

Candela’s interest in the Update reforms – mainly those related to the 1,050 MW Vulcan Solar Project (“Vulcan”) – and its recommendations concerning the reforms are described in greater detail below.

**Background - Vulcan**

Candela develops utility-scale solar and storage facilities throughout the United States. Candela has several projects in various stages of development in Arizona, including Vulcan. Vulcan is sited on approximately 8,000 acres of BLM lands in Maricopa County and will interconnect to the transmission grid at the 500 kV Hassayampa substation.

Vulcan has three queue positions with SRP: (1) Phase I, with a complete FaS, which is moving toward LGIA execution; (2) Phase II, with a completed SIS; and (3) Phase III, in the SIS process.

Vulcan is engaged in active permitting with BLM, having received a BLM Notice of Intention (“NOI”) to proceed to permitting under the National Environmental Protection Act (“NEPA”), published in the Federal Register on July 7, 2023. Vulcan is partially located in a BLM-delineated Solar Energy Zone and the BLM has identified it as a high-priority project to meet the agency’s goals of siting renewable energy generating facilities on publicly managed lands.

As part of BLM’s NEPA evaluation, Candela is undertaking several Vulcan surveys and other tasks required by BLM, including a Class III archaeological study, Sonoran desert tortoise survey, jurisdictional delineation, traffic analysis, and viewshed analysis. BLM held a public scoping meeting for the Vulcan Project on July 27, 2023.

Notwithstanding the advanced status and continuing significant Vulcan permitting effort, the active commitment of both Candela and BLM to the project site and permitting schedule, and Candela’s ongoing expenditure of significant funds, it is unclear whether Vulcan would meet either the “site control” or “commercial readiness” criteria proposed by SRP to remain “queue-worthy.” Disqualification of Vulcan based on these criteria would be contrary to SRP’s expressed intentions in updating its interconnection queue protocol: ensuring that only viable projects remain in and advance through the queue. In fact, the proposed revisions could have the opposite effect by disqualifying the Vulcan Project and other similarly situated projects.
Candela’s recommendations recognize the unique characteristics of BLM-sited projects with respect to site control and commercial readiness. Other jurisdictions have recognized that different standards for projects on public lands are appropriate. For example, the CAISO tariff defines the similar “Site Exclusivity” concept for projects on public land as follows:

...For public sites, including that controlled or managed by any federal, state, or local agency, a permit, license, other right, or pending application prescribed by the relevant authority, to use the property for the purpose of generating electric power and in acreage reasonably necessary to accommodate the Generating Facility.  

**Grandfathering for Projects Advanced in the Study Process**

Queue participants with a completed FaS or SIS should be allowed to proceed to GIA execution without further delay or requirements beyond the substantial commitments already embodied in the GIA. There is no reason to further burden the study process by re-studying projects that have completed, or nearly completed, their studies.

Basic fairness, as well as ample FERC-based precedent, support exempting projects advanced in the current process from mid-stream policy and process changes. For example, when the California Independent System Operator (“CAISO”) transitioned to a cluster-study framework in 2008, projects that were scheduled to complete their SIS by a date certain were allowed to complete their study process and proceed to a GIA under the existing rules, even if those SISs were not yet complete.

**Site Control Criterion**

SRP proposes the following definition of Site Control for the land needed by a project:

- (a) ownership of, leasehold interest in, or right to develop; (b) option to purchase or acquire a leasehold site for such purpose; (c) agreement demonstrating shared land use for all co-located resources; or (d) other documentation clearly demonstrating the project right to exclusively occupy the site.

While the standard is reasonably clear with respect to projects sited on private land, the proposed standard is vague for BLM-sited projects. For such projects, Candela recommends that SRP consider articulating in the tariff revision the documentation that would be deemed sufficient to “clearly” demonstrate a project’s “right to exclusively occupy the site” in order to avoid uncertainty for developers. Specifically, Candela recommends that an executed cost recovery agreement between the developer and BLM should be deemed *prima facie* evidence of Site Control for BLM-sited projects.

This treatment for BLM-sited projects is justified by BLM’s clearly delineated end-to-end process for energy projects. That process begins with the SF 299 filing and then proceeds to a final plan of development, serialization, cost-recovery agreement execution, NOI publication, Draft Environmental Impact Statement, Final Environmental Impact Statement, publication of a Record of Decision (“ROD”) publication and, finally, issuance of a Right of Way (“ROW”) grant.

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4 CAISO Tariff, Appendix A (Master Definitions Supplement), “Site Exclusivity” definition (emphasis added). See also the BPM for Generator Interconnection and Deliverability Allocation Procedure, Section 5.4.3.1 for further details the requirements developers must satisfy to demonstrate project site exclusivity on public lands.
During this process, the developer performs many activities that are predictable, easily documented, and require the outlay of significant funds. BLM’s process is predictable, public, and therefore, easily verified by the RTO.

Candela recommends adopting the execution of the cost-recovery agreement as a “bright-line” test for site control, because: (1) the agreement is executed for every project sited and permitted on BLM land; and (2) the agreement is a bilateral and exclusive commitment by the developer and BLM. While this agreement is executed relatively early in the BLM development cycle, it is analogous to an option agreement for private land, which SRP has identified as acceptable evidence of Site Control for projects located on private land. Thus, this standard ensures parity between projects sited on private land and those sited on public lands.

Candela recommends that SRP adopt a simple and direct approach for projects on public land that will eliminate the ambiguity in the current Update proposal language. Specifically, SRP should adopt the executed BLM-developer cost-recovery agreement as a reasonable demonstration of Site Control, because that agreement clearly establishes a bilateral and binding commitment between the developer and BLM as the land manager (akin to an option agreement), making the Site Control standard for BLM-sited projects transparent, easily established by the developer and unambiguously verifiable by SRP.

This approach should apply to early-stage queue-project entry into the TSP as well as later clusters.

**Commercial Readiness Criterion**

Generally speaking, it would be very difficult for a project – even a viable, high-quality project – to provide the Commercial Readiness demonstration measures listed without any study results. Load-serving entities (“LSEs”) must have some evidence that a project can interconnect economically and on a timely basis before committing to it on a contract or ownership basis.

Thus, restricting Commercial Readiness demonstrations to the proposed measures would likely disqualify many otherwise viable projects. As discussed below, Candela has a number of general concerns about this standard but also believes that the standard is unnecessary as a proxy for the viability of BLM-sited projects, and therefore, that other factors should be considered should be considered to allow such projects to meet this criterion.

First, projects generally must have a queue position, and usually interconnection study results, to bid into an LSE RFO. Even where those elements are not required, they are often stated as preferences. Therefore, requiring an executed term sheet with an LSE as an eligibility requirement for “Commercial Readiness” in order to maintain queue status would create an unreasonable chicken/egg problem for developers. Marketing by developers for commercial offtake and advancing permitting do not proceed *seriatim*, but simultaneously and in parallel. Imposing a standard that requires these undertakings to occur in a particular order to maintain queue eligibility and shifting the risk entirely to the developer if they do not, is unreasonable.

Second, requiring an executed term sheet or contract for sale would place otherwise viable projects at risk of losing queue status for reasons largely beyond the developer’s control, because they do not determine when the market seeks bids for PPAs or bilateral contracts for sale.

Third, the proposed standard potentially places independent power producers seeking a PPA at a competitive disadvantage with LSEs planning to self-build or to enter into build/own/transfer arrangements. Since the LSE controls both the timing and the determination of whether to go to
market for a PPA or to self-build, the LSE can both foreclose the independent power producer from seeking a PPA (and in turn meeting the “term sheet” eligibility criterion) and also itself establish the predicate for meeting the “contract for sale” and/or “integrated resource plan” elements of the proposed standard. Any standard for “Commercial Readiness” adopted by SRP should treat all market participants – LSEs and independent power producers – equally and should not create a competitive disadvantage for any market participant.

Fourth, the proposed “site-specific purchase order” element fails to recognize the market reality that many otherwise viable projects do not procure expensive generating equipment until they have secured a power purchase agreement and/or executed a GIA, both of which require completed interconnection studies. It is unreasonable to require developers to commit to binding, multi-million dollar commitments without knowing the cost of interconnection, which is often a “make or break” cost element.

Furthermore, most generation or storage equipment – turbines, solar panels, inverters, batteries, etc. – could be used at any site, so a “purchase order” for such equipment would not necessarily demonstrate any developer commitment to the particular site. Instead, Candela recommends that SRP broaden this demonstration to allow other measures that are truly site-specific, e.g., validated permit applications (e.g., for grading or other work on the site), site survey contracts or reports, or solar/wind resource assessment contracts or reports.

In any case, BLM-sited projects have demonstrable viability attributes that can obviate concerns that the “Commercial Readiness” criterion is ostensibly intended to mitigate. Specifically, as discussed above, BLM-sited projects progress along a known and verifiable permitting path that entails the expenditure, at risk, of substantial funds by the developer.

This is a reasonable indicium that the developer is “all-in” on the project, even if there is no “term sheet,” no “contract for sale” and no “purchase order for generating equipment.” Simply stated, a BLM-sited project cannot “just hang out” in the interconnection queue.

Because projects sited on BLM land have such clearly identifiable attributes of viability, Candela recommends that the proposed “commercial readiness” criterion be eliminated with respect to such projects. Alternatively, Candela recommends adding a fifth element to the “commercial readiness” criterion consisting of a showing that the project is being advanced proactively by the developer and BLM. A simple, and easily verifiable milestone for such an element would be the publication of an NOI in the Federal Register.

**Conclusion**

Candela acknowledges the need to reform the interconnection process to eliminate “dead wood” projects which add cost and delay for demonstrably viable projects. SRP’s proposed eligibility criteria for the TSP would clearly disqualify most projects from ongoing consideration, but it could also have the unintended effect of disqualifying many projects that are viable, for the reasons discussed above.

SRP should consider the additional Site Control and Commercial Readiness demonstration measures recommended here, which demonstrate the developer’s ongoing financial commitment to a specific project, to establish “queue worthiness.” For BLM-sited projects, that evidence is easily established, reliable, and not subject to manipulation or exaggeration by the developer/interconnection customer.
Candela appreciates SRP's consideration of these comments.

Ruhua You, Ph.D.
Senior Director, Transmission and Interconnection
Candela Renewables, LLC
Dear SRP,

We have more questions about the reform rules.

Regarding site control - With respect to a solar project sited on BLM land, would SRP consider an executed cost recovery agreement between the developer and BLM to be sufficient documentation to constitute site control for purposes of eligibility for the Transmission Cluster Study? If not, why not, and what would SRP consider to be the minimum threshold documentation required for eligibility for such a project? Would SRP be willing to adopt revised language expressly stating the specific documentation that is required to demonstrate site control for BLM-sited projects?

Regarding commercial readiness - Demonstration of commercial readiness in the form of an executed term sheet, an executed contract for the sale of the generating facility, reasonable evidence that the generating facility has been selected in a resource plan or a site-specific purchase order for the generating equipment. We are trying to understand better around the language “an executed contract for the sale of the generating facility”. Does this mean sale of the power from this generating facility or does this mean sale of the project (power plant) to a project buyer. If it is the later, does it matter who the buyer is?

Thank you and I look forward to seeing the updated Q&A that addresses these two questions.

Best,

Ruhua

Ruhua You, PhD
Senior Director, Transmission and Interconnection
(408) 398-1712 | ruhua.you@candelarenewables.com
500 Sansome Street, Suite 500, San Francisco, CA 94111
GIP/GIA Comment Form
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Please change the file name by including your name in the file before e-mailing. For example: Template: “GIP GIA Comment Form_your name here.docx” becomes: “GIP GIA Comment Form_SRP.docx” if SRP were commenting to its own posting. The filename is included in the footer and updates with the filename; you can force the footer to update with your filename change double clicking the footer field to select then right click and select “update field”.

Commenter Name: Melissa Alfano, Solar Energy Industries Association
Commenter Phone #: (703) 589-5446
Commenter e-mail: malfano@seia.org

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<tbody>
<tr>
<td>GIP</td>
<td>Definitions (page 6)</td>
<td>Commercial Readiness Demonstration shall have the meaning set forth in Section 3.3.1(vii) of this Standard Generator Interconnection Procedures.</td>
<td>SEIA requests that SRP remove the requirement for interconnection customers to demonstrate commercial readiness. SEIA appreciates that many of SRP’s proposed reforms reflect the Federal Energy Regulatory Commission’s (FERC) Notice of Proposed Rulemaking (NOPR) in Docket No. RM22-14. The NOPR contained reforms that will promote a transparent and efficient interconnection process. However, there were also proposals in the NOPR that the Commission ultimately found to be unnecessary or, worse, to impose needless costs.</td>
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<tr>
<td>GIP</td>
<td>3.1 (page 18)</td>
<td>Interconnection Customer must satisfy Readiness Milestone M0 as required in Section 3.3.1(iv) for each Interconnection Request even when more than one Interconnection Request is submitted for a single site.</td>
<td>SEIA requests that SRP revise these provisions so that they are consistent with the requirements of Order No. 2023. SEIA recognizes that SRP is not a FERC-jurisdictional entity, and therefore not subject to Order No. 2023. However, given FERC’s specific findings on these issues, SEIA believes that aligning the proposed reforms here with Order No. 2023 will promote an</td>
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accounting for the Requested Maximum Capacity Interconnection Service in the Interconnection Request:

| Option 1: Executed term sheet (or comparable evidence as determined by Transmission Provider) related to a contract for sale of (1) the constructed Generating Facility to a Load-Serving Entity or to a commercial, industrial, or other large end-use customer, (2) the Generating Facility’s energy or capacity where the term of sale is not less than five (5) years, or (3) the Generating Facility’s Ancillary Services where the term of sale is not less than five (5) years; or
| Option 2: Executed contract binding upon the parties for the sale of (1) the constructed Generating Facility to a Load-Serving Entity or to a commercial, industrial, or other large end-use customer, (2) the Generating Facility’s energy or capacity where the term of sale is not less than five (5) years, or (3) the Generating Facility’s Ancillary Services where the term of sale is not less than five (5) years; or

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As explained in our earlier comments, the non-financial commercial readiness demonstrations require an Interconnection Customer to make significant project decisions without knowing the full costs of interconnecting the project. FERC recognized that these demonstrations "may not necessarily serve as appropriate indicators of a proposed generating facility’s commercial viability" and could even lead to economically inefficient contracting and procurement behavior.

In response to previous stakeholder comments, SRP now proposes to include the option to provide a payment in lieu of commercial readiness. SEIA appreciates that SRP adopted this mechanism. In order to provide cost transparency, SEIA recommends that the deposit should be the only requirement for demonstrating commercial readiness, both during the reformed interconnection process and for the transition, and that the deposit amount be tied to the size of the generating facility. Because certain non-financial commercial readiness demonstrations can create incentives economically inefficient contracting and procurement behavior, requiring these demonstrations could obscure true interconnection costs, which would ultimately deprive SRP members of the benefits of low-cost generation.

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1 See Comments of SEIA and AriSEIA (July 28, 2023).
2 Order No. 2023 at P 695.
3 Order No. 2023 at P 698 ("As commenters note, this could lead to purchasers having to start the procurement process over or choose to over-procure as insurance against potential contract termination, to the detriment of reliability and cost.").
| Facility’s energy where the term of sale is not less than five (5) years, or (3) the Generating Facility’s Ancillary Services if the Generating Facility is an Electric Storage Resource where the term of sale is not less than five (5) years; or Option 3: Reasonable evidence (i.e., bid security held by a LoadServing Entity) that the Generating Facility has been selected in a resource plan or resource solicitation process by or for a LoadServing Entity, is being developed by a Load-Serving Entity, or is being developed for purposes of a sale to a commercial, industrial, or other large end-use customer; or Option 4: Submission of a site-specific purchase order for generating equipment specific to the Queue Position, or a statement signed by an officer or authorized agent of the Interconnection Customer attesting that the Generating Facility included is to be supplied with turbines (or |
equivalent major electric generating components) with a manufacturer's blanket purchase agreement to which Interconnection Customer is a party. This blanket purchase agreement shall be provided to Transmission Provider.

**GIP**

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<tr>
<th>Definitions (page 7)</th>
<th>Deposit in Lieu of Commercial Readiness shall mean an irrevocable letter of credit for seven-million-five-hundred-thousand dollars ($7,500,000).</th>
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</table>

SRP’s proposal to set the deposit requirement at $7,500,000 further obscures costs. By requiring a flat deposit amount, all interconnection customers would pay the same queue entry fee, regardless of the actual costs of the projects. Smaller projects that would have relatively low interconnection costs would face comparatively large costs of capital to larger projects that have higher interconnection costs. This flat rate would incentivize projects with lower interconnection costs to exit the queue, which is the exact situation SRP should be discouraging. In Order No. 2023, FERC tied the commercial readiness deposit required to enter the queue to the size of the generating facility, finding that the size of the facility generally corresponds to the cost of network upgrades, and subsequently the likelihood of withdrawal. Additionally, SEIA requests that SRP reduce its readiness milestone payments in M1 and M2 to 5% and 10% respectively to match the requirements of Order No. 2023.

If Interconnection Customer is unable to satisfy one of the four preceding Commercial Readiness Demonstration options, Interconnection Customer must provide a Deposit in Lieu of Commercial Readiness. If Interconnection Customer obtains Commercial Readiness after making the Deposit in Lieu of Commercial Readiness, the Deposit will be released less the Security Deposit and any Readiness Milestone payments.

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4 Order No. 2023 at PP 692-693.
| GIP | 3.3.1(v) (page 21) | Demonstration of Site Control for the Generating Facility as specified in SRP’s Business Practice posted on OASIS. | One final proposal that SRP should revise to align with Order No. 2023 is the requirement for 100% site control. In Order No. 2023, FERC modified its proposal to require 100% site control for the generating facility to 90% site control. The reduction in site control recognized that sometimes interconnection customers sometimes face development changes that make obtaining 100% site control difficult at the beginning of the interconnection process. A developer may have trouble acquiring leases for “obtaining particularly challenging land rights,” putting its already acquired leases at risk of expiring. Allowing 90% site control allows for these projects to move forward. Further, a 90% site control requirement provides interconnection customers flexibility to address the results of interconnection studies or other regulatory processes. A 90% site control requirement provides flexibility for interconnection customers while also providing a high enough barrier to entry to encourage only the most viable projects to move forward in the interconnection process. |
| GIP | 3.3.4 | If an Interconnection Request fails to meet the requirements set forth in Section 3.3.1, Transmission Provider shall notify Interconnection Customer within tenfive (105) Business Days of receipt of the initial Interconnection Request | SEIA requests that SRP maintain a 10-day cure period for interconnection requests. |
| GIP | 5.2.1 | If, as of the Effective Date of GIP, Interconnection Customer has executed a large generator | SEIA requests that projects that have executed LGIAs not be subject to the transition. Reforms affecting interconnection requests in the later stages of the interconnection process create special circumstances that require careful considerations, because |

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5 Order No. 2023 at P 597.
6 Order No. 2023 at P 597.
interconnection agreement such reforms can significantly disrupt the activities of customers who may have relied upon the existing process.\(^7\) Restudying projects that have already gone through the interconnection queue could lead to increased interconnection costs for these projects, and potentially post-LGIA withdrawals, a problem that could lead to even further queue withdrawals. Subjecting these projects to restudy would do the exact thing SRP is seeking to avoid through this interconnection process: It would introduce instability and uncertainty into the interconnection process.

<table>
<thead>
<tr>
<th>Upgrades in Interconnection Customer’s Network</th>
<th>Interconnection System Impact Study report, whichever is greater; and (ii) executes a Transitional System Impact Study Agreement.</th>
</tr>
</thead>
</table>

Comments on Salt River Project’s Proposed Interconnection Reforms
Melissa Alfano, Solar Energy Industries Association, Director of Energy Markets & Counsel
Autumn Johnson, Arizona Solar Energy Industries Association, Executive Director

The Solar Energy Industries Association (SEIA) and the Arizona Solar Energy Industries Association (ArizSEIA) appreciate the opportunity to submit comments to the Salt River Project (SRP) on its proposed interconnection reforms to address the large number of interconnection requests in the queue. We understand the need to reduce the number of projects in the queue to allow for efficient interconnection request processing. We appreciate that SRP proposes to incorporate concepts similar to those proposed in the Federal Energy Regulatory Commission’s (FERC) Notice of Proposed Rulemaking (NOPR) in Docket No. RM22-14. Many of the concepts in that NOPR, as well as its predecessors, Order Nos. 2003 and 845, will help promote a transparent and efficient interconnection process. However, the proposed rule is not without flaws. As explained further below, the Commercial Readiness requirement in the proposed rule will impose unduly burdensome requirements on independent power producers, which will ultimately harm the end-use consumers through increases prices. When establishing a Commercial Readiness requirement, SRP must ensure a pathway for independent power producers to move forward in the queue. We urge SRP to ensure that its reforms are equitable and consistent with foundational open access principles.

Study Deposits
SRP proposes to require Interconnection Customers to submit with their applications a refundable study deposit in the amount of $75,000 plus $1,000 per MW of requested Generating Facility Capacity, not to exceed $250,000. Recently, Arizona Public Service Corporation (APS), conducted an analysis of its average interconnection study costs. APS found that the cost for both the System Impact Study and Facilities Study combined is typically less than $100,000. Because of this, APS has recently proposed to lower its study deposit to $100,000 for all Large Generators, regardless of size.¹ We request that SRP undertake a similar analysis to make sure the study deposit amounts reflect the true cost of conducting the study.

Commercial Readiness
SRP proposes to implement a Commercial Readiness requirement similar to the requirement proposed in the FERC Interconnection NOPR. In order to enter the queue, an interconnection customer must provide proof of commercial readiness in the form of an executed term sheet, an executed contract for the sale of generating facility, reasonable evidence that the generating facility has been selected in a resource plan, or a site-specific purchase order for the generating equipment.

Commercial readiness requirements that require an Interconnection Customer to make significant project decisions without knowing the full costs of interconnecting the generating facility are unduly burdensome. In order to price a contract associated with a resource, whether it is for the

sale of the resource or a Power Purchase Agreement (PPA), an independent power producer must know, or at least have reasonable certainty as to what its final costs will be. This information is only knowable once the developer receive the results of the system impact study. This holds true for submissions to a resource solicitation. These requirements are not difficult to demonstrate: They are nearly impossible to demonstrate.

Similarly, requiring purchase orders before knowing the full scope of what equipment must be purchased for the entire project would result in wasteful and inefficient buying, needlessly raising the costs of a project. Late-stage development activities such as finalizing procurement and construction schedules are highly reliant on the results of the interconnection studies. Developers cannot reasonably meet this requirement without access to the final Interconnection Facilities Study report, which identifies the scope, cost, and schedule of construction of the Interconnection Customer Interconnection Facilities. While developers can create a procurement plan, requiring purchase orders before executing an LGIA adds unreasonable risks and can sometimes not even be completed for items like modules so far in advance.

To provide a path forward in the interconnection queue for independent power producers, we recommend that SRP allow Interconnection Customers to enter the queue by providing evidence of a Master Supply Agreement or Master Purchase Agreement that would obligate the Interconnection Customer to purchase project parts in the future but does not require the purchase of specific parts. Additionally, we request that SRP also provide an option for interconnection customers to provide a reasonable deposit in lieu of a demonstration of commercial readiness. Such a deposit is critical to the interconnection process, so much so that recently FERC rejected Public Service Company of Colorado’s proposal to remove its deposit in lieu option, finding that PSCo’s proposal to require interconnection customers to either meet the requirements under the proposed generation deployment option or one of PSCo’s three existing, unchanged, commercial readiness demonstration options alone is likely too stringent for independent power producers to meet.

Site Control Requirements
While SRP is proposing modifications to its Site Control requirements, SRP’s current tariff language does not account for how to demonstrate site control when a facility will be built on public land. It is not clear that the revised tariff language will do so either. Siting on publicly owned land brings its own challenges and timelines. Given the large amount of publicly owned land in the state of Arizona, these challenges are unavoidable for any developer. It is important that SRP’s tariff provide clear guidance on this issue. To that end, we urge SRP to accept a valid application to acquire the control of state or federal lands to be a sufficient showing of site

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2 See Joint Fed.-State Task Force on Elec. Transmission, Technical Conference, Docket No. AD21-15-000, Tr. 74:9-21 (Andrew French) ("an essential element of being able to sell a product is to know what your inputs are so you can market it").

3 Public Service Company of Colorado, 183 FERC ¶ 61,166, P 65 (2023).
control. Specifically, we recommend that SRP add the following language to its definition of Site Control:

For purposes of lands managed by a governmental entity (such as BLM), a Preliminary Plan of Development or equivalent government-issued documentation, shall be sufficient for demonstrating Site Control as to such government-managed land. 4

For the Interconnection Customers that need to provide a non-refundable deposit in lieu of site control due to regulatory limitations, we request that SRP clarify what it considers to be “regulatory limitations.”

Additionally, we request that SRP clarify that its definition of Site Control reflects the generation site only, and not any generation tie-lines or other transmission provider interconnection facilities.

Transition Study Process
In order to enter the Transitional Cluster Study, SRP proposes to require Interconnection Customers to make a demonstration of commercial readiness in the form of an executed term sheet, an executed contract for the sale of the generating facility, reasonable evidence that the generating facility has been selected in a resource plan or a site-specific purchase order for the generating equipment. We reiterate that the Commercial Readiness demonstrations that require an Interconnection Customer to price a PPA or resource solicitation bid without reasonable cost certainty imposes nearly impossible requirements on Interconnection Customers, especially independent power producers.

We request that SRP clarify that its projects on included in the Resource Solicitation Short List Selection, which is expected by October 1, 2023, 5 may be included in the Transitional Cluster Study.

Additionally, we request that SRP clarify some of the terminology used in the Transitional Study Process requirements. When an Interconnection Customer provides an “executed term sheet,” who does SRP expect the counterparty in that arrangement to be? Can SRP also clarify how the term “executed term sheet” is different from the term “executed contract” in the second bullet?

Withdrawal Penalties
SRP proposes withdrawal penalties coincide with the commercial readiness milestone payments. If an interconnection customer withdraws after Phase 1 studies, 50% of the M1 payment is non-refundable. If an interconnection customer withdraws after Phase 2 studies, the M2 payment, or 100% of all network upgrade and interconnection costs, is non-refundable.

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4 See e.g. PacifiCorp Tariff, Definition of Site Control.
5 Salt River Project 2023 All-Resource RFP for Peaking Capacity, at 2,
We do not support SRP’s proposal to assess withdrawal penalties based on network upgrade costs. Instead, we believe that the withdrawal penalties should be based on a multiple of known costs, such as incurred study costs. For example, SRP should consider PacifiCorp’s withdrawal penalty structure that is based on actual study costs. As proposed, network upgrade costs are unknown to the interconnection customer, creating uncertainty and larger risks for interconnection customers. Understanding that some multiple of incurred study costs are at risk will allow interconnection customers to have a better estimate of their risk, and thus carefully select to enter the queue.

Interplay with interconnection NOPR
On July 27, 2023, FERC voted to approve its Final Rule on Interconnection Reforms. Though SRP is not a FERC-jurisdictional entity, and therefore not subject to the Final Rule, we request that SRP incorporate the elements of the Final Rule into its tariff. These changes will help streamline interconnection procedures, creating a faster and fairer interconnection process. There are significant benefits under this Final Rule for SRP, and SEIA and AriSEIA encourage SRP to undertake a meaningful review of the rule to ensure that SRP members can share in those benefits.

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6 As of the time of this submission, the Final Rule has not been posted.
SRP Team,

To help provide outside perspective into SRP’s LGIA/LGIP review process, CEG would like to provide some comments and questions about the current proposal. Attached is the review document with our comments/questions. Please let us know if there is any way that we can further help to provide perspective.

Thanks,

Josh Jarriel
Manager, Grid Integration
M: 601.575.8077
josh.jarriel@clearwayenergy.com
LGIA and LGIP Review Update

June 9, 2023

Please review the conceptual changes SRP is considering and provide any comments or questions to: srpoarevisions@srpnet.com. Comments, questions, and answers will be made available on OASIS in the SRP Open Access Transmission Tariff folder.

Clearway Question: What payment type is accepted for the Milestone Payments? Can these be securitized with a Letter of Credit, Parent Guarantee, etc?

Clearway Comment: Clearway supports Milestone Payments 1 and 2 being tied to the NU cost of the project.

First-Ready, First-Served Cluster Study:

SRP is considering using a First-Ready, First-Served Cluster study process. SRP will offer one cluster annually that will take approximately 440 days to complete.

To join the cluster, prospective interconnection customers need to submit (1) a non-refundable application fee in the amount of $5,000; (2) a refundable less any costs incurred study deposit in the amount of $75,000 plus $1,000 per MW of requested Generating Facility Capacity, not to exceed $250,000; (3) a demonstration of site control or a non-refundable deposit in lieu of site control due to regulatory limitations in the amount of $500,000; and (4) proof of commercial readiness in the form of an executed term sheet, an executed contract for the sale of generating facility, reasonable evidence that the generating facility has been selected in a resource plan or a site-specific purchase order for the
generating equipment.
Throughout the First-Ready, First-Served Cluster study process, interconnection customers must provide Commercial Readiness Milestone payments at each Decision Point. The first Readiness Milestone ("M0") is satisfied by the interconnection customer providing an application fee and the study deposit. The second Readiness Milestone ("M1") is satisfied by interconnection customer providing an amount equal to fifty percent (50%) of the cost allocation for the network upgrades, shared network upgrades, and other interconnection costs. The third Readiness Milestone ("M2") is satisfied by the interconnection customer providing an amount equal to the cost allocation for the network upgrades, shared network upgrades, and other interconnection costs.

Withdrawal Penalties:

SRP is considering implementing withdrawal penalties for interconnection customers that withdraw from the First-Ready, First-Served Cluster study process. If an interconnection customer withdraws or is deemed withdrawn at any time, the expended amounts of its study deposit will become non-refundable. If an interconnection customer withdraws after Decision Point I, fifty percent of the M1 payment is non-refundable; and if an interconnection customer withdraws after Decision Point II, the M2 payment is non-refundable.

If an interconnection customer withdraws from the Transitional Study Process, the interconnection customer will be charged nine (9) times its actual allocated cost of all studies performed for interconnection customer at the point of withdrawal, not to exceed two million dollars ($2,000,000).

Clearway Question: Why is the 9x allocated study cost withdrawal penalty being imposed within the study phase of the transitional cluster? A reduced withdrawal penalty during the study phase is preferred here with penalties stepping up to 9x at LGIA.

Transitional Study Process:

SRP is considering a Transitional Study Process for existing interconnection customers prior to beginning the first First-Ready, First-Served Cluster. Existing interconnection customers that meet the following requirements may join the Transitional Study Process.

Clearway Question: By when would a project need to qualify for the transitional study?

Requirements for the Transitional Study Process:

1. Demonstration of commercial readiness in the form of an executed term sheet, an executed contract for the sale of the generating facility, reasonable evidence that the generating facility has been selected in a resource plan or a site-specific purchase order for the generating equipment; AND

Clearway Question: Does a shortlist announcement qualify as meeting requirement number 1 for the transitional process?

2. Demonstration of site control in the form of ownership of, a leasehold interest in, or a right to develop; or an option to purchase or acquire a leasehold site for such purpose; or a contract or other agreement demonstrating shared land use for all co-located resources; or any other documentation that clearly demonstrates the right of interconnection customer to exclusively occupy a site; AND

3. Study deposit payments in the amount of $5,000,000, which may be in the form of an irrevocable letter of credit or, if the interconnection customer has completed a system impact study, a cash deposit equal to one hundred percent (100%) of the costs identified in the final System Impact Study report or Facilities Study report.
**Clearway Question:** Is the “Study deposit” for $5,000,000 refundable?

**Clearway Question:** A cash deposit at the SIS stage is unprecedented. Why is a cash deposit needed this early into the process if there is no ongoing design, engineering, or construction?

Existing interconnection customers that do not meet these requirements will not be allowed to join the transitional study, and they will receive a refund of their deposit and study funds that have not already been expended. Interconnection customers that do not join the transitional study may join the first or subsequent First-Ready, First-Served Clusters subject to the requirements of the First-Ready, First-Served Cluster.
EDF Renewables Comments & Question on SRP’s LGIP Queue Reform Strawman Proposal

- General comments/questions:
  o Please address how SRP plans to limit the number of restudies, to process applications in a timely manner.
  o Please explain how or if SRP will coordinate the reformed LGIP with SRP merchant function’s future procurement activity.

- Site Control:
  o SRP’s LGIP reform outline includes site control requirement at application or a non-refundable in lieu payment of $500k.
  o EDF believes that the “in lieu” payment should be refundable if site control is provided later during the generation interconnection process.

- Commercial Readiness
  o SRP’s LGIP reform outline includes commercial readiness milestones that require both non-financial and financial demonstrations of readiness.
  o EDF believes that this proposal should be amended to allow for a deposit “in lieu” of commercial readiness to be acceptable to meet the commercial readiness demonstrations. This is consistent with other recent queue reform procedures in WECC, including PSCo’s recent revised queue reform which enables a financial deposit in lieu of other readiness demonstrations that come with higher withdrawal penalties.

- Withdrawal penalties
  o SRP’s LGIP reform outline indicates that if a withdrawal occur during/after M1 but before M2, 50% of M1 is non-refundable. If a withdrawal occurs at/after M2, 100% of M2 is non-refundable.
  o EDF believes this proposal is too punitive and is not in line with other recently approved queue reform procedures. EDF urges SRP to review PSCo’s withdrawal penalty structure as a benchmark for an alternative penalty design:
    ▪ PSCo LGIP, Section 3.7.1 describes PSCo’s withdrawal penalties: Withdrawal penalties are calculated based on whether a customer uses commercial/permitting demonstration options vs the $7.5M deposit in lieu of readiness option, and the timing of the withdrawal:
      - Penalty if using commercial/permitting demonstration options:
        o Withdrawal at Phase 1, 2, 3, or 4: Higher of the study deposit or 1x actual allocated study costs
        o Withdrawal after LGIA: $5M
      - Penalty if using $7.5M in lieu deposit:
        o Withdrawal at Phase 1: lower of $5k/MW or $500k
        o Withdrawal at Phase 2: lower of $20k/MW or $2M
        o Withdrawal at Phase 3: lower of $50k/MW or $5M
        o Withdrawal at Phase 4/or LGIA: lower of $75k/MW or $7.5M

- Transition Process
  o EDF’s understanding is that SRP is proposing a single transitional cluster study for all currently queued projects. What is the expected timeline of the transition cluster?
EDF suggests that SRP bifurcate the transitional process as other transmission providers (e.g., PSCo, Tri-State, PacifiCorp) have done to implement queue reform:

- Projects that have an executed facilities study agreement should be allowed to proceed through the queue on a serial basis (if they can meet the readiness and site control demonstrations).
- Projects that have an assigned queue position but that have not yet executed a facilities study agreement would be subject to the cluster study (if they can meet the readiness and site control demonstrations).

LGIA

- What “conceptual changes” is SRP considering to its LGIA? Those were not detailed in the initial LGIP/LGIA Review document.
- What changes, if any, should projects that already have executed LGIAs expect as a result of the pending reforms? Those were not detailed in the initial LGIP/LGIA Review document.
Hi,

We are following the updates SRP intends to make for the Large Generator Interconnection requests that are in Queue.

I am wondering if you could help me understand, if there are any additional studies being considered to qualify an existing Large Generator Interconnection request? If so, could you please provide the list of studies required.

Thanks,

Monica

*Monica Padala*
System Studies Engineer
Power Systems Engineering Division
Mitsubishi Electric Power Products INC
Email: Monica_PADALA@meppi.com
Phone: +1 (732) 242-2324

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Dear SRP,

On July 28, FERC issued the final rule on its Improvement to Generator Interconnection Procedures and Agreement NOPR issued in July 2022. As a result, FERC will soon update its pro forma LGIP and LGIA. Whereas SRP is not a FERC jurisdictional utility, we are interested to know whether SRP’s Interconnection Reform will still be targeted for an effective date in Q4 2023, in case SRP will review the FERC final rule (known as Order 2023) and make further adjustments to your reformed OATT.

Thank you for your attention to the above question.

Best regards,

Fulin Zhuang
Senior Principal Consultant, GridBright
www.GridBright.com
909-720-6583
fulin.zhuang@gridbright.com

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To Whom It May Concern:

Thank you for providing the opportunity to review and ask questions on the LGIA and LGIP review update file posted to SRP’s OASIS.

I have questions regarding the application of the transition requirements to certain interconnection positions. The LGIA and LGIP review update file states that existing interconnection customers may join the transitional study process if they meet three requirements (commercial readiness, site control, and study deposit payments). Does “existing interconnection customers” include the following:

1. Those with an executed LGIA (PV-PC-Q09)
2. Those with an LGIA pending (Q59)
3. Those in the scoping stage (PV-PCQ29)
4. Those awaiting a system impact study (Q72, Q73, Q74, and Q75)

Thank you,
Nelli Doroshkin

Nelli Doroshkin | Senior Manager, Regulatory Affairs
Invenergy
ndoroshkin@invenergy.com  | T 312-761-8696

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Good afternoon.

Are there any exemptions from the transition queue for SRP projects? For example, many other balancing authority areas do not require projects with a completed facilities study to enter the transition queue and be re-studied. It seems like SRP is requiring all project regardless of where they are in the study process, to enter the study process again via the transitional queue or a later Queue. Please advise how this would be handled. Same question if the project has a completed system impact study.

Thanks much,
Virginia
Hello-
I am looking at your LGIA and LGIP Review update on OASIS and have the following questions:

1. When will SRP file at FERC
2. What is the requested “effective date”
3. How many days after the effective date will interconnection customers have to submit deposit and documents?

Thank you,
Virginia
Good Afternoon,

I would like to get clarity as to whether we can still submit applications into the queue this year before the updates are finalized. Or do we need to wait till Jan 2024 to submit application.

Best regards,
**Beatrice Sampson**
Director, Development
West Regional Development
Region Americas

Tel. +15515882699
bsamp@orsted.com

Learn more at us.orsted.com

401 N Michigan Ave., Suite 501
Chicago, IL 60611

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From: Ravi Beeravalli <rbeeravalli@pluspower.com>
Sent: Tuesday, June 13, 2023 8:43 AM
To: SRPOATTRevisions - DEPT ID
Cc: Shivang Singh; Scott Schalich; Larry Zhong
Subject: Request for Clarification and Timeline Regarding SRP LGIP Changes

CAUTION: This email originated from outside the organization. Beware of suspicious links, files, or requests. When in doubt report as phishing.

SRP Interconnections,

We appreciate your continued support and guidance as we navigate through the proposed changes outlined in the recent SRP LGIP update. We have compiled a list of questions and would also appreciate some insights into the timeline associated with these changes. Our questions are as follows:

1. Could you please confirm whether the proposed changes primarily apply to the SRP-owned queue or if they also affect the Southwest Valley Queue?
2. If the changes do apply to the Southwest Valley Queue, will the outstanding SWVQ03 position be included in the cluster study process with all the SRP-owned queue projects?
3. Considering the separate OATTs and the involvement of APS as a key stakeholder in the Southwest Valley Queue projects, can we argue against lumping the Southwest Valley Queue together with the SRP-owned queue for a cluster study?
4. Additionally, we would appreciate any information you can provide regarding the timeline for submitting the proposed LGIP changes to FERC and the anticipated effective date of the new LGIP.

Your prompt response and guidance on these matters would be immensely helpful as we assess the potential impact on our ongoing projects. Thank you for your valuable assistance.

Thanks,

Ravi Beeravalli
Associate Director – Transmission and Interconnection

Plus Power
M 218.387.4538
rbeeravalli@pluspower.com
www.pluspower.com

PLUS POWER
Hi Tom,

I am writing to kindly request your assistance in confirming the applicability of the proposed changes (attached) to the Southwest Valley Queue.

As we review the proposed changes outlined in the recent SRP LGIP update, one of our key concerns is whether these changes would impact the Southwest Valley Queue in addition to the SRP-owned queue. Could you please clarify if the Southwest Valley Queue will be included in the cluster study process along with the SRP-owned queue projects?

Your insights on this matter would greatly help us in assessing the potential implications for our ongoing projects in the Southwest Valley Queue. We appreciate your prompt response and input.

Thank you for your attention to this request. We look forward to hearing from you soon.

Thanks,

Ravi Beeravalli
Associate Director – Transmission and Interconnection

Plus Power
M 218.387.4538
rbeeravalli@pluspower.com
www.pluspower.com
CAUTION: This email originated from outside the organization
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Good morning. I understand the attached Q&A from SRP was for question through 8/24. Could you please kindly address the below question in the 9/7 stakeholder meeting or upcoming revised Q&A after 9/7?

From: Amy Jo Miller
Sent: Friday, August 25, 2023 2:14 PM
To: 'srpoattrevisions@srpnet.com' <srpoattrevisions@srpnet.com>
Cc: Robert Wilson <robert.wilson@qcells.com>; Ahmed Abdelsamad <ahmed.abdelsamad@qcells.com>
Subject: Site Control Question for Federal Lands

Qcells reviewed the draft BPM site control language. Will evidence of SF-299 application received and filing fees paid still suffice for site control on projects sited on federal lands?

Thank you.

Amy Jo Miller
Director of Policy & Market Strategy | Development
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Hi SRP team,

Please see the following questions regarding the LGIP changes.

- SRP requests commercial readiness such as executed term sheets and executed PPAs. Considering the difficulty of getting PPAs without queue position, SRP should introduce a quick pre-study process for the developers and this pre-study should be able to give sufficient interconnection related information such as IX construction timeline, required NU items, and the associated costs.
- SRP should provide more clarity about the site-specific PO requirements.
- Withdrawal penalties for the transitional study process projects are not clear. Please provide more clarification of what portion of $5MM deposit is refunded when the project withdraws.
- If we post $5MM to meet the transitional study requirements without the SIS results, do we get a refund if the allocated costs are lower?
- Will SRP allow customers that have signed the SIS agreement to finish up the study process before evaluating them for the transitional study process?
- Will the transitional process take on the original IX process guidelines or will the IX process continue with the new guidelines? (Referring mostly milestone point requirements and the new timelines)
- Will the penalty charge for withdrawing from the transitional process be inclusive of the non-refundable portions of the study deposits?
- Will SRP consider adjusting the transitional study requirement for existing customers to meet two of the three requirements rather than all?
- What is the timing of the transitional study cluster? When will it start and how long will it take?
- Will SRP consider an “in lieu of” letter of credit to satisfy commercial readiness? This is similar to APS’ queue reform.

Best regards,

Evan Hall
Interconnection Specialist, Grid Strategy & Analytics

RECURRENT ENERGY
A subsidiary of Canadian Solar

(E) Evan.Hall@RecurrentEnergy.com (W) https://recurrrentenergy.com/
July 18, 2023
Salt River Project
Attn: Transmission Participation & Interconnection Projects
PO Box 52025
Phoenix, AZ 85072
Via electronic delivery

Re: RWECE Comments Regarding SRP Interconnection Reforms

To Whom it May Concern:

RWE Clean Energy, LLC ("RWECE") appreciates the opportunity to participate in the stakeholder process and submits these comments in response to the Salt River Project Agricultural Improvement and Power District’s ("SRP") proposed interconnection reforms and revisions to the LGIP. RWECE is a developer, owner, and operator of wholesale electric generation and energy storage facilities throughout the United States including the Western Interconnection and plans to develop generation and/or storage facilities interconnected to the wholesale transmission system owned and operated by SRP. RWECE is a member of the Interwest Energy Alliance and fully supports its comments made to SRP during the stakeholder process.

RWECE recognizes that some of the proposed revisions as appropriate and necessary in the unique context of the energy markets and energy policy forces affecting SRP’s transmission system and the state of Arizona. RWECE appreciates SRP’s efforts to engage with its stakeholders on issues around interconnection queue reform. Overall, the proposal represents significant progress towards ensuring that SRP’s interconnection queue process operates efficiently and effectively, most notably by implementing stepwise readiness requirements which will require applicants in the SRP queue to demonstrate meaningful investment in the viability of their generation projects, or have “skin in the game.”
RWECE is generally supportive but encourages SRP to consider: (1) grandfathering customers already in IA studies, (2) providing alternative commercial readiness requirements seen in other markets, (3) refunding withdrawal penalties due to delay, (4) using a harm test or proportional impact methodology to assess withdrawal penalties, (5) the addition of an informational study service, (6) a transitional period and (7) an update to the cost allocation of shared upgrades to a DFAX based allocation.

Grandfathering

RWECE requests that projects with an IA or executed facility study agreement be grandfathered so that the new tariff will not be applicable to projects with an IA or facility study agreement. Projects that have proceeded to this point have significant investment in time and money and a radical change to a project that has been planned for many years can be highly detrimental. An example of grandfathering into an earlier system is in the most recent queue reform, where PJM made a selection criteria and focused on those projects to ensure completion prior to transitioning to their new process.

Commercial Readiness

SRP should consider providing a security deposit in lieu of commercial readiness milestones as an additional alternative. The requirements SRP has indicated are difficult to obtain in bilateral markets, especially when the line of sight to when a project can deliver power is far out. SRP could consider reviewing the PSCo method and implement generation deployment options that are similar.

Generating Equipment / Site Control Clarity

In addition, RWECE requests additional clarity regarding what is included with the “site-specific purchase order for the generating equipment” and site control definitions. Clear understanding of what SRP is expecting and will be accepting allows for developers to plan and submit information with confidence and more often not be left in a state of uncertainty if SRP will accept or not. What does SRP mean by site-specific generating equipment? Projects order quite a bit of large equipment – turbines, inverters, transformers, HV and MV circuit breakers – does all of this qualify? Also, clarity on site control is important and maintains a level playing field for all projects. Many markets and areas are specifying an acre/MW level for each
technology, which we strongly encourage SRP to consider. Reviewing other areas, RWECE would suggest similar values to other areas, being 30Acres/MW for wind, 5 Acres/MW for solar and 0.1 Acres/MW for storage.

Delayed Studies Impact

RWECE understands that the current study process has caused delays in the processing of study reports, while frustrating to SRP it is also impactful to projects, particularly with PPA commitments. We would ask SRP to consider that if projects are delayed developers should be compensated for costs that result from those delays. This compensation could be a contribution to the cost of network upgrades, a deposit refund per day of delay, or the reduction of withdrawal penalties based on delay. In other words, RWECE would like to see the high withdrawal penalties counterbalanced by a financially binding commitment by SRP to be timely.

Withdrawal Penalties

RWECE fully supports SRP allocating to developers some risk for each project entered into the interconnection queues. Increased financial deposits and withdrawal penalties have unfortunately not been an adequate deterrent to a high volume of non-viable projects entering into the interconnection queues. For example, the MISO queue that closed on September 15, 2022, had 956 projects enter for a total of 171GW.1 This means that MISO holds approximately $684M or more in security and $150M or more in study deposits. The risk to these projects, as in other regions, are penalties for withdrawal. The Withdrawal Penalties proposed by SRP should be used to create meaningful decision points for projects to discern whether they are willing to commit resources to a project. When projects withdraw from a queue, as they certainly will, those penalties should be applied to transmission buildout costs rather than restudies which will not be needed as frequently in the cluster process. The magnitude of the potential penalties would far exceed the study costs that SRP would apply to these projects, thus providing SRP an unearned windfall. In addition, SRP should consider a harm test as projects that withdraw and those that do not cause negative changes to other projects should not be

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penalized, such as the one used by MISO. This would be more appropriate risk and allocates appropriately under a “but for” test.

Equally important, project developers understanding the penalties so that they can make an informed decision is important, helping to limit the uninformed and risky choices. Withdrawal penalties could be based on a multiple of study cost and a dollar amount per MW cap could also be considered. Either of these options would provide more clarity to project developers about what exactly the withdrawal penalties will be. This in turn will make the network upgrade costs more accurate and predictable as developers would have incorporated informed risk decisions.

Network Upgrade Allocation

RWECE sees this opportunity in the LGIP reform for SRP to revise its cost allocation methodology for network upgrades between and among interconnection customers within a cluster, to use a “proportional impact method (specifically DFAx)” as Interwest and others have recommended in other venues. A proportional impact method would more accurately reflect the level of contribution of an interconnection request to the need for the network upgrade instead of based solely on the size of the projects. Allocating costs on a strictly MW pro rata basis does not bring the same level of transparency about the interaction of costs and impacts from each new interconnection which is needed to make informed market decisions. SRP should utilize the proportional impact methodology presented in the interconnection notice of proposed rulemaking.²

Transition Period

SRP should specify the period for projects to make decisions and prepare for the new cluster process. This would be outside of projects grandfathered as mentioned earlier in the comments and apply to projects in the System Impact Study and earlier. RWECE recommends considering a transition period cluster requirement such as the 120 day period PSCo implemented in their most recent tariff approved by FERC. A transitional time period would better allow developers to determine whether they should remain in the queue. These changes are significant and SRP should provide the opportunity for time to implement these changes.

Consideration of other topics

RWECE sees several other topics that may not fall into LGIP reform but important for SRP to review and address, including (1) reimbursement of network upgrades, (2) delays between joint owned systems, and (3) informational studies.

In SRP’s current tariff, there is no reimbursement for network upgrades. This stands in contrast to other WECC utilities. In many areas of WECC upgrades are reimbursed, whether immediately or over a period of years and either by cash or with transferrable transmission credits. Network upgrades are a benefit to the transmission grid as a whole and not solely for the project(s) connecting.

RWECE requests additional information about how SRP plans to address the potential of delays and inefficiencies in the interconnection process for joint ownership of facilities where SRP is the facilitator. This is an area of where delay and uncertainty results in the project experiencing adverse impacts for delays outside of the project’s control.

SRP also has an opportunity to provide the addition of an informational study service similar to PSCo or Tri State. This process provides an estimate of network upgrades would be provided without entering the queue. The addition of informational studies would better allow developers to make more informed decisions about whether or not they would enter the queue, which would in turn reduce the number of projects as non-viable projects are less likely to be submitted.

In conclusion, RWECE is generally supportive but encourages SRP to consider these comments.

Respectfully submitted,

Thomas Burke  
Director of Regulatory Affairs  
RWE Clean Energy
Afternoon,
I am wondering if there are going to be any meetings or call on this or is everything to be done via providing emails to this address?

I would like a clarification on the proof of commercial readiness; it is only one item out of the four (4) that we need to show correct?

Also, will there be projects that do not need to move into the reform? For instance if an IA has been tendered?

Thanks and looking forward to seeing the outcome,
Lisa
Two questions related to the new GIP.

1. Are the deposits for the new GIP (e.g. application fee and site control, commercial readiness penalties) cash only, line of credit or combination of cash/line of credit?

2. I am refereeing to penalty monies such as the commercial readiness penalty of $400k prior to D1. If a project shows commercial readiness prior to D1 and SRP keeps or holds the $400k and the project ends up going through the entire GIP, will that $400k be applied to network upgrades since the project completed the process (i.e. the penalties are only kept by SRP if you leave the GIP?), or is it a 100% penalty at the time commercial readiness is shown and the project would need to factor that $400k loss in their budgeting?

Jon

Jonathan Stahlhut, Ph.D. P.E.
623-237-2123
Transco.Energy, LLC
The following form is provided for entities to comment on SRP’s proposed GIP and GIA Revisions.

Please change the file name by including your name in the file before e-mailing. For example: Template: “GIP GIA Comment Form_your name here.docx” becomes: “GIP GIA Comment Form_SRP.docx” if SRP were commenting to its own posting. The filename is included in the footer and updates with the filename; you can force the footer to update with your filename change double clicking the footer field to select then right click and select “update field”.

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<thead>
<tr>
<th>Commenter Name:</th>
<th>SRP Resource Planning</th>
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<tbody>
<tr>
<td>Commenter Phone #:</td>
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<td>Commenter e-mail:</td>
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<tr>
<th>Document (GIP/GIA)</th>
<th>Page/Section Reference</th>
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<th>Reviewer Commentary / Proposed text</th>
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<tbody>
<tr>
<td>GIP</td>
<td>Section 1 Page 11</td>
<td>Load Serving Entity...to sever the electrical demand and energy requirements of its end-use</td>
<td>Change “sever” to serve</td>
</tr>
<tr>
<td>GIP</td>
<td>Section 3</td>
<td></td>
<td>Once a project is validated, is it considered validated in subsequent clusters until it is withdrawn or in-service or does it require validation each year during the Cluster Request Window/Customer Engagement Window</td>
</tr>
<tr>
<td>GIP</td>
<td>Section 1</td>
<td>Stand Alone Network Upgrades .... Transmission Provider does not consider the Network Upgrade(s) to be a Stand Alone Network Upgrade(s) within fifteen (15) days of its determination.</td>
<td>Business or Calendar days and is there a requirement to make a determination?</td>
</tr>
<tr>
<td>GIP</td>
<td>Section 3.4</td>
<td>3.4.1 During the Customer Engagement Window (January to April of each year), and upon the close of each Cluster Request Window, Transmission Provider will open a sixty (60) Calendar Day period (the “Pre-Study Period,” which ends upon the execution of a Cluster System Impact Study Agreement by Transmission Provider).</td>
<td>Section 3.3 indicates a valid interconnection request requires an executed Cluster System Impact Study Agreement. Is it feasible to have this completed during the Cluster Request Window and prior to “Pre-Study Period” and the good faith estimates for study work?</td>
</tr>
<tr>
<td>GIP</td>
<td>Section 3.8</td>
<td>It is unclear the process and responsibilities for affected systems claims. Can this be clarified here or in a business practice?</td>
<td></td>
</tr>
<tr>
<td>GIP</td>
<td>Section 3.9.1.iv</td>
<td>iv. If Interconnection Customer withdraws or is deemed withdrawn from the Transition Process the entire transitional study deposit in non-refundable.</td>
<td>Change “in” to “is”</td>
</tr>
<tr>
<td>GIP</td>
<td>Section 3.10.ii</td>
<td>ii. For penalties assessed in accordance with this Section, the penalty amount will be equal to: $1,000 per Business Day for delays of a Cluster System Impact Study 50 days beyond the applicable deadline set forth in this GIP; 1) Clarify Business or Calendar days 2) Are the delay periods included in the 440 day total schedule?</td>
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<tr>
<td>GIP</td>
<td>Section 3.10.iii</td>
<td>iii. Transmission Provider may request a waiver from the SRP of any penalties imposed under this Section. Any such request must be submitted to the</td>
<td>“requests”</td>
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$2,000 per Business Day for delays of a Cluster System Impact Study Re-Study(ies) 25 days beyond the applicable deadline set forth in this GIP; $2,500 per Business Day for delays of Point of Interconnection Facilities Study 90 days beyond the applicable deadline set forth in this GIP; and $2,500 per Business day for delays of the Network Upgrade(s) Facilities Study 90 days beyond the applicable deadline set forth in this GIP. The total amount of a penalty assessed under this Section shall not exceed one hundred percent (100%) of the initial study deposit(s) received for all of the Interconnection Requests in the Cluster.
SRP Board no later than forty-five (45) Calendar Days after the late study has been completed. While the SRP Board considers such a request, Transmission Provider shall remain liable for the penalty, but need not distribute the penalty until forty-five (45) Calendar Days after the date that any quests submitted to the SRP Board are no longer pending. The SRP Board may excuse Transmission Provider from penalties under this Section for good cause.

iv. If (1) Transmission Provider needs to extend the deadline for a particular study subject to penalties under this Section and (2) all Interconnection [Customers] included in the relevant study mutually agree to such an extension, the deadline for that study shall be extended thirty (30) Business Days from the

<table>
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<tr>
<th>GIP</th>
<th>Section 3.11.4</th>
<th>Generation Replacement—Replacement Impact Study.</th>
<th>Add Customers?</th>
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<td></td>
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<td>What is the process if not material impact?</td>
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GIP GIA Comment Form SRPRD
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<tr>
<th>GIP</th>
<th>Section 3.11.4</th>
<th>...reliability conditions are studied. If the Replacement Impact Study identifies any <strong>materially impact</strong> from operating the Replacement Generating Facility</th>
<th>material impacts</th>
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<tr>
<td>GIP</td>
<td>Section 3.11.5</td>
<td>3.11.5 Generation Replacement—Reliability Assessment Study. The Reliability Assessment Study for the time period between the date that the Existing Generating Facility ceases commercial operation and the expected Commercial Operation Date of the Replacement Generating Facility shall evaluate the performance of the Transmission System to determine if thermal and/or voltage violations of Applicable Reliability Standards and Transmission Provider planning criteria are caused by removing the Existing Generating Facility from service prior to the expected Commercial Operation Date of the Replacement Generating Facility. This</td>
<td>Does this also apply for retirement with no replacement?</td>
</tr>
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</table>
study shall compare the conditions on the Transmission System that would exist if the Existing Generating Facility is taken offline to the conditions on the Transmission System as they exist when the Existing Generating Facility is online. The scope of Reliability Assessment Study may include stability analysis as necessary. The Existing Generating Facility shall be responsible for mitigating any reliability violations identified in the Reliability Assessment Study and may not cease operations until all mitigations are implemented or are in service. Mitigation for this interim period may, as applicable, include: (i) redispatch/reconfiguration through operator instruction; and (ii) remedial action scheme or any other operating steps depending upon the type of reliability violation identified.
| GIP | Section 4.1 | The A higher Queue Position of each assigned to an Interconnection Request will be used to determine the order of performing the Interconnection Studies and determination of cost responsibility for the facilities necessary to accommodate the Interconnection Request. A higher queued Interconnection Request is one that has been placed “earlier” in the queue in relation to another Interconnection Request that is lower queued in the same Cluster that is assigned a lower Queue Position. The Queue Position of an Interconnection Request within the same Cluster shall have no bearing on the allocation of the cost of the Network Upgrade(s) and Shared Network Upgrade(s) identified in the applicable Interconnection Study (such costs will be allocated among Interconnection... | What is the purpose of the queue position? |
Requests in accordance with Section 4.2 of this GIP. A Cluster initiated earlier in time shall be considered to have a higher Queue Position than a Cluster initiated later.

| GIP | Section 4.3(3) | (3) Shared Network Upgrade(s). Transmission Provider shall analyze if the impact of the Generating Facility on Network Upgrade(s) is greater than five percent (5%) of the facility rating or the power transfer distribution factor is greater than twenty percent (20%). If the criteria listed above are met, the

| Should there be definitions for facility rating and power transfer distribution factor? |

| GIP | Section 4.3(3) | Interconnection Customer shall pay Transmission Provider may allocate the cost of the common upgrades for clustered Interconnection Requests without regard to Queue Position for Shared Network Upgrade(s) identified pursuant to Section 4.2 of this GIP. Transmission Provider subsequently shall disburse payment to appropriate

| Should this be pursuant to Section to 4.3 |
Interconnection Customer(s) from an earlier Cluster(s) with previously assigned costs associated with the Shared Network Upgrade(s) in accordance with Section 4.2 of this GIP. If the Shared Network Upgrade(s) is not in service before the Generating Facility’s Commercial Operation Date, Interconnection Customer shall not be required to make a payment under Section 4.2 of this GIP until the Shared Network Upgrade(s) is in service. In the event that Interconnection Customer fails to meet its obligation to fund Shared Network Upgrade(s), Transmission Provider shall not be responsible for Interconnection Customer’s funding obligation.

| GIP     | Section 4.5.1 | 4.5.1.4.1 Prior to the return of the executed InterconnectionCluster System Impact Study Agreement toby | Section 4.1 states the queue position has no bearing on cost allocation? |
Transmission Provider, modifications permitted under this Section shall include specifically: (ai) 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 of this GIP) accomplished by applying Transmission Provider-approved injection-limiting equipment; (bii) modifying the technical parameters associated with the Large Generating Facility technology or the Large Generating Facility step-up transformer impedance characteristics; (ciii) a change in Requested Commercial Operation Date; and (div) 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.

| GIP | Section 4.5.2 | 4.5.2 4.4.3 Prior to making any modification other than those specifically permitted by Sections 4.4.1 and 4.4.2, Section 4.5.1, 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, after the Customer Engagement Window except those deemed acceptable under Section 6.2, or so allowed elsewhere this GIP, | 1) Should there be a timeframe to process these request? 2) It is unclear how late a material modification can occur and what the impact would be to the request? |
| GIP | Section 4.5.3 | 4.5.3 4.4.4 Upon receipt of Interconnection Customer's request for modification permitted under this Section 4.4.5, | Delete “this” |
| GIP | Section 7.2.1 | of the Cluster System Impact Study (and any associated Re-Study(ies) in accordance with Good Utility Practice to reliability provide Interconnection Service to the Transmission System. | “reliably” |
| ANPP-GIA | Section 1 | Should Shared Network Upgrades be defined? |
| ANPP-GIA | Section 2.3 | 2.3 Termination. |
| SRP LGIP and LGIA Reforms Presentation To Stakeholders 08-24-2023 | Slide 9 Customer Engagement | Cluster Window Jan 15 – Feb 14th | SRP Resource Development had previously requested a revisit of the January-February defined cluster window. Commentary Only: An August/September cluster window is more conducive to SRP’s planning process. From a development perspective, SRP is concerned a January/February Cluster deadline will pre-maturely force incomplete submissions, requiring material changes. Further, a fully complete submission in January/February does not allow for resource COD to occur in June of the same year. |
September 13, 2023
Salt River Project
srpoattrevisions@srpnet.com
srpinterconnections@srpnet.com

Re: Comments following 9/7/23 webinar

Interwest Energy Alliance (Interwest) appreciates the opportunity to submit these additional comments on the proposal of Salt River Project ("SRP") to reform its Standard Generator Interconnection Procedures ("GIP"). Interwest has separately submitted comments related to the proposed site control business practice which are not repeated in this set of comments. Interwest requests further discussion related to some of these issues, especially related to clarity about selection within a resource solicitation process, since short-listing in a competitive solicitation to implement a resource plan would appropriately be evidence of commercial readiness. Other provisions would benefit from further clarification, and we would offer specific language recommendations if SRP agrees upon concepts. Interwest strongly recommends elimination of the exception for load-serving entities to prove commercial readiness at any stage, which is anti-competitive and not consistent with FERC and district court precedent which may be persuasive upon review of these GIP tariff revisions.

The 30-day deadline for submission of all development requirements after board approval of the revised tariff is an unreasonably short time frame which does not reflect commercial realities, so Interwest recommends this time period be extended to sixty (60) days. Interconnection customers will need time to review the entire tariff and finalize preparations to meet the more stringent requirements with much weightier financial commitments.

**Restudies for Projects with Executed Interconnection Agreements**

The new GIP Section 5.2.1 proposes to re-study projects with executed interconnection agreements. This attempt to undermine the executed contracts may be contrary to law. SRP, especially as a governmental entity, may not have the authority to retroactively change a binding contract.

Furthermore, SRP proposes this requirement based on an assumption that it will need to re-study projects with executed interconnection agreements because higher-queue projects will withdraw. SRP does not know which projects will withdraw and which queue positions will be affected until it happens. It would be unfair to require a project with an executed interconnection agreement to go through another System Impact Study regardless of which projects actually withdraw.
Furthermore, it is unclear to what extent the SRP transition process will preserve each Queue Position’s priority. Please clarify which queue positions must participate in the transition process and how their priority will be retained in the cluster formation and modeling. The language proposed for Section 5.2.2 of the GIP says that the Transitional System Impact Study will use a “hybrid serial-cluster type study, in which all Interconnection Requests that have met the transition requirements will be studied as a cluster, with Queue Positions preserved to assess mitigations serially.” Interwest appreciates the discussion on this topic on the webinar, but a review of the language does not resolve all questions related to how this will work, and to what extent a cluster process can truly preserve queue priority.

**Readiness Requirements**

As noted, Interwest submits separate comments related to the site control business practice today. In addition, SRP indicated in its Q&A document updated August 31, 2023, indicates that SRP plans to post a Commercial Readiness Business Practice in October 2023 related to other matters to clarify tariff language besides site control. Meanwhile, the proposed GIP language includes only one vague reference to a Commercial Readiness Business Practice for Generation Replacement Requests. Absent a more specific cross-reference, it is unclear how the Business Practice might modify the Commercial Readiness requirements specified in the proposed GIP language. Given the importance of the Commercial Readiness requirements, SRP should provide specific tariff language rather than leaving the policy to later business practices. Business practices do not provide the stability and predictability necessary for prudent business planning. For example, the GIP language proposed regarding selection in a resource plan or resource solicitation process (Sections 3.3.1 for new requests and 5.2.1 for the transition) should include more specific details to provide clear compliance guidance. Language related to “selection” and “approval” can be ambiguous because each resource plan process is different, with different decision makers and steps towards conclusion. Therefore, clarity is important to avoid misunderstandings and wasted resources.

The language regarding equipment purchase requirements raises concerns about interpretation and the potential for misunderstanding and arbitrary application of the language. Interwest recommends this language be more specific: “Execution of a contract for the engineering for, procurement of major equipment for, or construction of, the Generating Facility.” Alternatively, SRP should provide further guidelines for what specific equipment (e.g., transformers, inverters, etc.) are required to show Commercial Readiness and what specific language SRP would require an Interconnection Customer to meet the Site-Specific Purchase Order Commercial Readiness criterion.

Interwest continues to recommend that notice of selection in a short list derived from a competitive solicitation by another load-serving entity (“LSE”)(i.e., the notice comes from the LSE itself) should be sufficient evidence of commercial readiness, because the LSE may be better able to complete its review and final determination with interconnection cost estimates. Projects which have matured sufficiently to reach this stage are most likely to proceed to completion, even if they are not finally approved for acceptance into a resource plan culminating from the short-listing process. Therefore, the risks of the interconnection customer withdrawing after selection in a short list are fairly low. Furthermore, even if they are not approved in the final stage, the project may
also be available for SRP customers to acquire if they are able to proceed to this short-list stage, because they presumably will have been vetted and approved for many other characteristics and benefits by the third-party LSE.

Conversely, however, Interwest appreciates the elimination of any and all ability for an LSE to bypass the commercial readiness requirements or obtain lower security deposits by virtue of their status, which would be anti-competitive. Thus Section 3.3.1(vii) should be deleted as inappropriate and likely to lead to biased results. Any provision which allows a load serving entity (“LSE”) to side-step the commercial readiness requirements completely is anti-competitive and also contrary to SRP’s goals of eliminating unready projects which may need to pause development due to regulatory requirements, capital costs or permitting requirements. The contracts with LSEs which have not been acquired through competitive solicitations have the potential for similar results. During the webinar, SRP personnel assured attendees that all LSEs are required to meet the same requirements as independently-developed projects. If LSEs are allowed to avoid this showing of commercial readiness they will be given a clear advantage not supported by other evidence of development maturity or cost effectiveness.

**Readiness Milestone Payments Are Unreasonably High**

SPR proposes to require interconnection customers to provide cash or a letter of credit equal to 50% of the estimated Network Upgrade cost at Readiness Milestone 1 and 100% at Readiness Milestone 2. These amounts are unreasonably high and unnecessary, as they dramatically exceed levels that would achieve SRP’s goal of shortening the queue and removing less-promising projects. Instead, Interwest recommends that a smaller amount, such as 10%-20% is more reasonable, with increasing deposits and amounts placed at risk over time as a project advances through the queue study process. Each stage of the process will provide greater certainty about likely interconnection opportunities and costs, making steeper financial investments more prudent. Furthermore, SRP’s proposal dramatically exceeds the industry benchmark FERC set in Order No. 2023 of requiring a posting of 5% of the estimated Network Upgrade cost following to enter a cluster restudy (following the cluster study results) and 10% to enter the facilities study. There is no legitimate reason for SRP to require amounts ten times higher than those required by FERC.

Finally, SRP’s proposal may have counterproductive results by requiring developers to tie up too much capital into each project, thereby increasing development costs that will ultimately result in higher costs for SRP’s customers.

**Allocation of Upgrade Costs**

Interwest appreciates that the upgrade costs will be allocated to each customer within each cluster based on the proportional impact methodology.

Interwest also appreciates that SRP agrees to model advanced technologies when requested by interconnection customers, but recommends that that offer be expanded to include them in all modeling for all interconnection customers. Analysis of advanced technologies’ capability to reduce overall costs and increase efficiencies for all interconnection requests moving through the queue will also benefit SRP’s own generation proposals and will increase efficient use of SRP’s existing grid.
Interwest appreciates these forward-looking modeling advancements, along with SRP’s plan to move to flow-based grid operations.

Withdrawal Penalties

Interwest asks SRP to consider revamping its withdrawal penalty proposal to include exemptions when a withdrawal has no negative impacts on lower-queued customers. For example, in Order No. 2023, FERC established exemptions for withdrawals that do not delay or increase Network Upgrade costs for other proposed generating facilities. FERC also allows customers to withdrawal penalty-free (i) when network upgrade costs assigned to the interconnection customer’s request increase 25% compared to the previous cluster study report, or (ii) after receiving the facilities study report the network upgrade costs increased by more than 100% compared to costs identified in the cluster study report. SRP should include similar exemptions to avoid financially punishing customers who acted reasonably but experienced significant unforeseen and uncontrollable Network Upgrade cost increases. Since there is no informational study alternative, developers have no way to estimate the costs until they enter the queue and participate, so these significant sums should not be immediately at risk. Project developers have no other reliable means to obtain the necessary information on which significant business decisions can be made.

Generally, the proposed withdrawal penalties, as well as the initial deposits of $5,000,000 are too high, and are not based on cost causation principles.

Withdrawal penalties that are based on allocations of estimated network upgrades are inherently unpredictable as to the sums placed at risk. Interwest proposes that the withdrawal penalties and milestone payments be based on a multiple of the study cost of a dollar/MW sum with an overall cap amount equivalent to caps used for other Transmission Providers around the West. This provides more predictable sums and near-certainty, and a more prudent basis on which to place large sums of investment dollars at risk. The sums at risk could change dramatically if large projects are removed from the queue, for example, by an LSE which may be trying to develop multiple sites for large pumped-storage or other high-capacity projects, some of which are then removed from the queue when some of the sites are withdrawn from development activity. This has happened in other queue processes in the West, including, for example, in PacifiCorp’s Large Generator Interconnection Process clusters. Since the likely network upgrade estimates can fall precipitously at the next stage due to these withdrawals, this network upgrade cost estimate is inherently unpredictable and wildly variable. For these reasons Interwest recommends a multiple of the estimated study costs or a dollar/MW sum along with an overall cap on withdrawal penalties such as 9 times the study costs, similar to caps which have been approved in other tariffs.

Withdrawal penalties should be allocated across the projects within the cluster rather than subsequent cluster participants. If the pool of penalties is too large, they should be applied to network upgrade costs for the benefit of the system.

SRP’s proposal for all interconnection customers to pay restudy costs is not reasonable since withdrawals by other customers are outside of remaining queue participants’ control. Rather, withdrawal penalties should be applied to pay those restudy costs.
SRP’s proposed GIP language does not include clear deadlines by which SRP will refund deposits and withdrawal penalties. Interwest asks SRP to add such deadlines to ensure that customers will receive their refunds on a timely basis.

Interwest supports the inclusion of reasonable financial penalties payable by the utility by the month if study results are delayed, at least in the form of reduced penalties upon withdrawal and other offsets against sums owed by interconnection customers.

**Jointly-Owned Projects**

Will other FERC-jurisdictional Transmission Providers be able to comment on and approve the GIP as it relates to jointly-owned facilities? Interwest appreciates whatever clarity SRP can provide in its Q&A or by other written notice related to how this process relates to joint ownership of transmission facilities and how that will affect implementation of the revised tariff.

In addition, for jointly-owned projects, Interwest acknowledges that some delays have resulted from difficulty coordinating between Transmission Providers for study inputs and other modeling requirements. Will these be resolved so that the proposed timeline of 440 days can be met?

Interwest sincerely appreciates your consideration.

**INTERWEST ENERGY ALLIANCE**

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(719) 302-2142

cc:  
Rikki Seguin, Executive Director  
Rikki@Interwest.org
September 13, 2023

Salt River Project

srpoattrevisions@srpnet.com
srpinterconnections@srpnet.com

Re: additional comments on draft business practice

Interwest Energy Alliance (Interwest) appreciates the opportunity to submit these comments on the draft business plan related to site control.

We previously submitted comments which relate to the proposed business practice governing site control, which indicated that Interwest generally recommends as much of the guidance as possible to be incorporated into the tariff language itself rather than the business practice so that it is predictable over the longer term.

A. Business Practice for Site Control

1. Interwest appreciates the delayed requirement related to regulatory issues governing permitting and site control. However, Interwest recommends that the regulatory requirement related to site control at Decision Point II be stated as a requirement that the Interconnection Customer provide additional evidence of progress on curing regulatory issues, because these issues and the timing of resolution are outside the control of the Interconnection Customer. Then Interwest supports the requirement that 100% site control be required at the GIA execution stage.

2. Related to site control acreage requirements, Interwest supports the proposed site control requirements to the extent that they include specific acreage requirements. The acreage for wind which Interwest recommends 30 acres/MW of wind generation which is more standard for wind technology. Interwest members have also worked in other queue processes where the interconnection customer can make alternative arrangements as evidence of site control, which provide sufficient certainty for SRP to be assured of compliance. Interwest strongly supports site control requirements to enter the queue, so this proposal is intended to allow for the appropriate levels of stringency, but to recognize a variety of circumstances related to various technologies and stages of development.

3. In addition, the acreage requirements should be waived if plans are submitted which are stamped by a Professional Engineer which provides evidence that the project can be constructed with the lesser amount of acreage controlled for the project.
4. The proposed business practice requires that the proposed location of (i) the Collector Substation, the proposed generator tie line; (ii) the point of Interconnection, and; (iii) the Interconnection Facilities based on the Point of Interconnection. Sec. 6.1.2 (a)(III). Unfortunately, these locations cannot be specifically identified until the facilities studies are completed, and the GIA is executed. Please clarify and confirm that the location will be adjustable as the study process proceeds past the GIA execution stage.

Thank you for the opportunity to submit these comments and for incorporating some of our recommendations to date.

Lisa Tormoen Hickey
Interwest Energy Alliance
Senior Regulatory Attorney
3225 Templeton Gap Road
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Colorado Springs, CO 80907
lisa@interwest.org
(719) 302-2142
Re: additional comments and questions prior to 9/7/23 webinar

Interwest Energy Alliance (Interwest) appreciates the opportunity to submits these additional comments on the interconnection reform proposal of Salt River Project (SRP), what SRP will now call its Standard Generator Interconnection Procedures (GIP). Interwest will also follow up with additional comments after the webinar prior to the September 13, 2023 deadline, but since the webinar was scheduled for September 7, 2023 in the interim we wanted to insert some high-level comments so that you can address them and answer questions during the webinar discussion. We sincerely appreciate the advancements you have made to date during this stakeholder process.

**Restudies for Projects with Executed Interconnection Agreements**

The new GIP Section 5.2.1 proposes to re-study projects with executed interconnection agreements. This attempt to undermine the executed contracts may be contrary to law. SRP, especially as a governmental entity, may not have the authority to retroactively change a binding contract.

Furthermore, SRP proposes this requirement based on an assumption that it will need to restudy projects with executed interconnection agreements because higher-queue projects will withdraw. SRP does not know which projects will withdraw and which queue positions will be affected until it happens. It would be highly unfair to require a project with an executed interconnection agreement to go through another System Impact Study regardless of which projects actually withdraw.

Furthermore, it is unclear to what extent the SRP transition process will preserve each Queue Position’s priority. Please clarify which queue positions must participate in the transition process and how their priority will be retained in the cluster formation and modeling. The language proposed for Section 5.2.2 of the GIP says that the Transitional System Impact Study will use a “hybrid serial-cluster type study, in which all Interconnection Requests that have met the transition requirements will be studied as a cluster, with Queue Positions preserved to assess mitigations serially.” It is unclear how this will work, and to what extent a cluster process can truly preserve queue priority.

**Business Practices for Readiness Requirements**

SRP’s Q&A document updated August 31, 2023, says that SRP plans to post a Commercial Readiness Business Practice in October 2023. Meanwhile, the proposed GIP language includes only one vague reference to a Commercial Readiness Business Practice for Generation Replacement Requests. Absent a more specific cross-reference, it is unclear how the Business
Practice might modify the Commercial Readiness requirements specified in the proposed GIP language. Given the importance of the Commercial Readiness requirements, SRP should provide specific tariff language rather than leaving the policy to later business practices. Business practices do not provide the stability and predictability necessary for prudent business planning. For example, the GIP language proposed regarding selection in a resource plan or resource solicitation process (Sections 3.3.1 for new requests and 5.2.1 for the transition) should include more specific details to provide clear compliance guidance. Language related to “selection” and “approval” can be ambiguous because each resource plan process is different, with different decision makers and steps towards conclusion. Therefore, clarity is important to avoid misunderstandings and wasted resources.

The language regarding equipment purchase requirements raises the same concern. Interwest recommends this language be more specific: “Execution of a contract for the engineering for, procurement of major equipment for, or construction of, the Generating Facility.” Alternatively, SRP should provide further guidelines for what specific equipment (e.g., transformers, inverters, etc.) are required to show Commercial Readiness and what specific language SRP would require an Interconnection Customer to meet the Site-Specific Purchase Order Commercial Readiness criterion.

Related to site control requirements, Interwest will make recommendations about specific standardized acreage requirements for each technology. Interwest members have also worked in other queue processes where the Interconnection customer can make alternative arrangements as evidence of site control, which provide sufficient certainty for SRP to be assured of compliance. Interwest strongly supports site control requirements to enter the queue, so this proposal is intended to allow for the appropriate levels of stringency, but to recognize a variety of circumstances related to various technologies and stages of development.

**Readiness Milestone Payments Are Unreasonably High**

SPR proposes to require interconnection customers to provide cash or a letter of credit equal to 50% of the estimated Network Upgrade cost at Readiness Milestone 1 and 100% at Readiness Milestone 2. These amounts are unreasonably high and unnecessary, as they dramatically exceed levels that would achieve SRP’s goal of shortening the queue and removing less-promising projects. Instead, Interwest recommends that a smaller amount, such as 10%-20% is more reasonable, with increasing deposits and amounts placed at risk over time as a project advances through the queue study process, because each stage will provide greater certainty about likely interconnection opportunities and costs, making steeper financial investments more prudent.

Furthermore, SRP’s proposal dramatically exceeds the industry benchmark FERC set in Order No. 2023 of requiring a posting of 5% of the estimated Network Upgrade cost following to enter a cluster restudy (following the cluster study results) and 10% to enter the facilities study. There is no legitimate reason for SRP to require amounts ten times higher than those required by FERC.

Finally, SRP’s proposal may have counterproductive results by requiring developers to tie up too much capital into each project, thereby increasing development costs that will ultimately result in higher costs for SRP’s customers.
Allocation of Upgrade Costs

Interwest recommends that the upgrade costs be allocated to each customer within each cluster based on the proportional impact methodology.

Withdrawal Penalties

Interwest asks SRP to consider revamping its withdrawal penalty proposal to include exemptions that consider scenarios whereby a withdrawal has no negative impacts on lower-queued customers. For example, in Order No. 2023, FERC established exemptions for withdrawals that do not delay or increase Network Upgrade costs for other proposed generating facilities. FERC also allows customers to withdrawal penalty-free (i) when network upgrade costs assigned to the interconnection customer’s request increase 25% compared to the previous cluster study report, or (ii) after receiving the facilities study report the network upgrade costs increased by more than 100% compared to costs identified in the cluster study report. SRP should include similar exemptions to avoid financially punishing customers who acted reasonably but experienced significant unforeseen and uncontrollable Network Upgrade cost increases.

Generally, the proposed withdrawal penalties, as well as the initial deposits of $5,000,000 are too high, and are not based on cost causation principles.

Refunding Deposits and Withdrawal Penalties

SRP’s proposed GIP language does not include clear deadlines by which SRP will refund deposits and withdrawal penalties. Interwest asks SRP to add such deadlines to ensure that customers will receive their refunds on a timely basis.

Withdrawal penalties should be allocated across the projects within the cluster.

Interwest supports the inclusion of reasonable financial penalties payable by the utility if study results are delayed.

Interwest would be pleased to provide more specific language to express any of these policies after the discussion scheduled for September 7, 2023, prior to the September 13, 2023 deadline for comments. If the discussion on September 7, 2023 causes us to revise any of these recommendations, we will so state in our final comments.

Thank you,

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Hello:

Please provide responses to these questions from the Interwest Energy Alliance tomorrow on the webinar. We may also submit additional questions prior to or after the webinar tomorrow.

- Can you please provide more clarity on how milestones and decision points are aligned?
- How soon will the Withdrawal Penalties be dispersed to the Cluster Group?
- Transitional Study: Why would an LGIA project have to go back into the Transitional Study?
- Why would a project in the Transitional Study Process be held to more stringent Withdrawal Penalty?
- Why would a project in the Transitional Process have to pay $5,000,000 in the form of cash or LOC?
- For Shared Network Upgrades, when will the IC be notified if later queued project will be sharing in the cost?
- In section 5.3, is SRP saying that if a project does not have Facility Study from the previous process, then a Transitional FAS will need to be conducted? Is this assuming that if the project still must go through the Transitional SIS?
- Can SRP please explain why they believe they would like IC’s to provide an Executed Cluster System Impact Study Agreement and an Executed Point of Interconnection Facility Study Agreement?

Thank you!

Lisa Tormoen Hickey
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Interwest Energy Alliance
Lisa@interwest.org
www.interwest.org

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July 18, 2023

To: Salt River Project

Re: Proposed Large Generator Interconnection Tariff reforms

The Interwest Energy Alliance ("Interwest") is a 501(c)(6) trade association representing the leading renewable energy developers in Arizona, New Mexico, Colorado, Wyoming, Utah and Nevada. Interwest submits these questions and comments related to the proposed revision of Salt River Project’s Large Generator Interconnection Process (“LGIP”) tariff. We have reviewed the June 9, 2023 diagram “LGIA and LGIP Review Update” posted on SRP’s OASIS website on June 12, 2023, and the June 27, 2023 document titled “SRP Interconnection Reform Q&A”. We understand that questions and comments are requested by August 1, 2023. Once you gather input, Interwest requests that you conduct a public stakeholder meeting where interested parties and interconnection customers can provide further input and ask questions in a virtual setting to enable greater participation. Interwest also requests an opportunity for written comments after the proposed redlined tariff is published for review. We sincerely appreciate these opportunities for input, which may reduce questions, misunderstandings, and related inefficiencies during subsequent queue processing under a revised tariff.

1. Large Generator Interconnection Agreements. Interwest requests clarification that the proposed revisions will not apply to interconnection customers and queue positions which have an executed LGIA in place. Interwest members generally consider an LGIA to be a binding agreement with revisions limited by their terms. Please clarify and confirm.

2. Security in lieu and commercial readiness milestones.

   a. Interwest recommends that SRP provide a mechanism for payment of security in lieu of physical commercial readiness milestone requirements. These requirements are difficult to achieve in bilateral markets absent progression through the interconnection study process. As a point of reference, FERC has rejected at least one utility’s attempt to eliminate the security in lieu of commercial readiness option. Public Serv. Co. of Colorado, 183 FERC ¶ 61,166, at P 65 (2023) (finding it “likely too stringent for independent power producers to meet”).

   b. Some of the suggested commercial readiness milestone requirements necessary to join the cluster are misaligned with the development process, namely, proof of commercial readiness in the form of an executed term sheet, an executed contract for the sale of generating facility, reasonable evidence that the generating facility has been selected in a resource plan or a site-specific purchase order for the generating equipment. These requirements are not available when a project enters the queue or transitional cluster. Most requests for proposals and solicitations required to make selections in a resource
plan process, or to obtain a contract for sale rely upon the results of a facilities study or LGIA an initial eligibility requirement for minimum eligibility so the costs of transmission upgrades can be estimated as part of the bid response. Similarly, firm estimates of interconnection upgrade costs and timing are required prior to finalizing a project sufficiently to invest in site-specific purchase order due to the high costs and risks of that investment. Therefore, these elements are not available until later in the process and are not appropriately required upfront. FERC has confirmed the need to provide alternative pathways through the queue for projects which do not have these milestone requirements in place. See, e.g. PSCo Order Re Tariff Revisions, 23ER-629-000.

c. Interwest recommends that the requirement for “site-specific purchase order for the generating equipment” is replaced by execution of a requirement for a Main Power Transformer which should be sufficient to qualify as in other markets. Example language would be to require “[E]xecution of a contract for the engineering for, procurement of major equipment for, or construction of, the Large Generating Facility”.

3. So long as a financial deposit is allowed in lieu of other commercial readiness requirements, Interwest recommends that SRP not allow a deposit in lieu of site control to enter the cluster, although we would like to understand SRP’s proposal related to “regulatory limitations”. Please describe in detail what types of circumstances would allow such deposits, along with draft tariff language. How will this language be implemented? Interwest generally supports requirements for site control for the generation location (not to include interconnection facilities, which are not yet identified) to enter the queue. These requirements reflect investment in a particular site by a developer, likely after some initial determination of whether fatal flaws exist, thus eliminating a large number of what would otherwise be “speculative” projects, resulting in withdrawals and need for restudies, additional costs and delays.

Notwithstanding the foregoing, however, site control should be identified in requirements such as acres/MW based on technology rather than a percentage basis. This is more standard and comports with best practices as opposed to percentages of the whole, since the size of a project can be changed to allow compliance when using percentages. A fairly consistent requirement of acres/MW has been adopted in other western OATTs such as Public Service Company of Colorado and we can provide you with other examples if helpful. - http://www.oasis.oati.com/woa/docs/PSCO/PSCOdocs/Site_Control_Requirements_and_Affidavit_it.pdf.

4. Withdrawal penalties –

a. Withdrawal penalties should be applied towards the cost of network upgrades, rather than payment of future study costs or other application.

b. The milestone payments and other financial penalties should not automatically be forfeited. Rather, a test should be applied to determine whether there is harm to the remaining queue members. If no other queue participants are reliant upon the upgrades then either the deposits should all be returned (less study deposit or study spend and any actual spend on upgrades) or a significantly less amount should be retained as the penalty.
c. Withdrawal penalties and milestone payments should not be based on allocated network upgrades as proposed as this does not give interconnection customers a reasonably predictable amount of sums placed at risk. In the alternative, Interwest recommends that the penalty be based on a multiple of study cost or $/MW, and Interwest appreciates the suggested cap on the total amount of the penalty which is consistent with the caps approved by FERC in other queue reforms. There are several reasons these withdrawal penalty caps are appropriate and support a tariff being consistent with or superior to FERC pro forma tariff.

i. Caps and penalties based on multiples of study costs provide more clarity on what amounts are to be placed at risks and provides fairness to all customers. Withdrawal penalties based on system impact study results and estimated network upgrade cost are not consistent throughout the process and are generally unpredictable. For example, in other utilities we have observed that initial milestone payments after the initial DISIS studies can be very high due to the large numbers and sizes of projects in the queue during initial stages of the study process. Thereafter, as projects drop out, re-studies are performed and network upgrades are dramatically lower. This pattern reflects the unreliable nature of penalties based on the estimates in initial system impact studies as a cap or estimate of funds at risk.

ii. What type of payment is required for milestone payments and deposits? Interwest recommends that SRP confirm that a letter of credit will be accepted for these payments.

5. Network upgrade cost sharing and estimates. Network upgrade costs should be based on the estimated impact of each project on the grid, which can be calculated based on tested methodologies and which prevent small projects with large impacts from imposing costs on larger projects of different technologies which are predicted to have a lower per MS impact on the grid. For cluster studies, Interwest recommends that SRP allocate upgrades based on DFAX rather than pro-rata based of pure nameplate capacity at the point of interconnection. Interwest can provide additional information if helpful, but DFAC is referred to in a MISO presentation, “Dispatch of Storage in MTEP and DPP Studies” (misoenergy.org). The Distribution Factor (DFAX) represents the change (or sensitivity) of active power flow on a transmission asset with respect to a change in injection at the generator bus and a corresponding change in withdrawal at the reference system. See https://cdn.misoenergy.org/20230125%20PAC%20Item%20Storage%20in%20MTEP%20and%20DPP%20Studies%20Presentation627603.pdf.

a. Interwest recommends formulas and process be included in the tariff to reimburse interconnection customers for network upgrades like other utilities.

b. If network upgrades are above a designated dollar amount, the aggregate upgrade cost should be shared by later clusters or interconnection customers which are in the queue and are expected to have a high impact (DFAX) on the proposed line.
6. The transitional cluster study requirements require a payment of $5,000,000 in addition to requiring a contract for sale or selection in a resource plan, and the like. This seems duplicative because if a project has matured sufficiently to be eligible for and selected by an off-taker, the $5,000,000 payment should not be required to prove sufficient investment in a particular project.

7. What will SRP do to address delays and inefficiencies in the interconnection process for joint ownership facilities where SRP is the facilitator? Is there an enforceable timeline for responses to requests and decision-making?

8. Will SRP provide the opportunity to obtain informational studies similar to those welcomed by FERC when proposed by other transmission providers, to avoid some interconnection customers with unready projects from having to enter the queue?

9. Interwest recommends a definitive time period to provide transitional cluster requirements, to allow 120 days or more to provide commercial readiness requirements as recommended herein.

10. What is included in point of interconnection costs? If these costs are TPIF, then those payments would be the same regardless of whether interconnection customers withdraw from the queue. Therefore, they should not be at risk of forfeiture.

11. What does SRP propose to include as an incentive for SRP to meet the tariff timeline for completion of interconnection studies or installation of upgrades incorporated into an LGIA? Interwest recommends that SRP consider an appropriate incentive to reflect the potential for default under a purchase power agreement, for example, which may result in default under an in-service deadline if studies are not completed on a timely basis. As SRP is aware, these in-service deadlines established by negotiation with SRP or other utilities are vital to contract certainty and ultimately to efficiency and reliability requirements. Therefore, Interwest suggests consideration of the following to be triggered if delays in interconnection studies occur, especially for circumstances after a contract for sale is required to enter into an LGIA (or earlier in the cluster study process)
   a. SRP provides 1x initial deposit per month of delay, or
   b. The penalties for withdrawal are reduced based on the length of the delays.

Finally, Interwest encourages SRP to take this opportunity in reforming its interconnection rules to submit them to FERC as part of a “reciprocity tariff.” SRP owns several transmission assets jointly with FERC-jurisdictional public utilities, which may create unique jurisdictional concerns. Because some elements of SRP’s proposal goes beyond what FERC has previously approved, obtaining FERC’s blessing ahead of time could help avoid significant problems and uncertainty for SRP and its customers.

As indicated, Interwest sincerely appreciates the opportunity to submit these questions and comments. The undersigned is available for any questions.
Respectfully submitted,

Interwest Energy Alliance

LTH

By: Lisa Tormoen Hickey
Senior Regulatory Counsel

cc: Rikki Sequin
Executive Director
rikki@interwest.org
**GIP/GIA Comment Form**
The following form is provided for entities to comment on SRP's proposed GIP and GIA Revisions.

Please change the file name by including your name in the file before e-mailing. For example: Template: “GIP GIA Comment Form_your name here.docx” becomes: “GIP GIA Comment Form_SRP.docx” if SRP were commenting to its own posting. The filename is included in the footer and updates with the filename; you can force the footer to update with your filename change double clicking the footer field to select then right click and select “update field”.

| Commenter Name: | Charlie McClelland on behalf of Longroad Energy |
| Commenter Phone #: | 814-490-7369 |
| Commenter e-mail: | Charlie.McClelland@longroadenergy.com |

<table>
<thead>
<tr>
<th>Document (GIP/GIA)</th>
<th>Page/Section Reference</th>
<th>Existing language</th>
<th>Reviewer Commentary / Proposed text</th>
</tr>
</thead>
<tbody>
<tr>
<td>GIP</td>
<td>5.2.1</td>
<td>If, as of the Effective Date of GIP, Interconnection Customer has executed a large generator interconnection agreement or a small generator interconnection agreement, then Interconnection Customer may join the Transition Process [...]</td>
<td><strong>Proposed text option 1:</strong> strike the requirement altogether for customers with interconnection agreements to be restudied. <strong>Proposed text option 2:</strong> if, as of the Effective Date of GIP, Interconnection Customer has executed a large generator interconnection agreement or a small generator interconnection agreement with an In-Service Date that is at least 180 days past the GIP Effective Date or for which the associated generation project has not yet started construction, then Interconnection Customer may join the Transition Process [...] <strong>Commentary:</strong> We understand that SRP may need to reassess its transmission system after projects are withdrawn or re-queued under the new LGIP. We also understand the need to remove projects with LGIAs that are nevertheless nonviable; however, SRP should allow projects that are either actively under construction or within 180 days of their In-Service Dates to forego the transition...</td>
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</table>
process. Sponsors for such projects have undoubtedly made significant financial investment. Introducing a study requirement so late in the development process could cause irreparable harm by upending the project’s financing and development processes. Instead, SRP should rely upon its standard 180-day evaluation process that it presently uses to determine if adequate mitigations are in place prior to projects going In Service, and which both the development and financing communities are presently aware of and comfortable with.

| GIP | 5.2.1 (a) | (a) If the Interconnection Customer has a completed Interconnection System Impact Study as of the Effective Date of GIP, it shall pay the higher amount of either one hundred percent (100%) of the costs identified for Transmission Provider’s Interconnection Facilities, Network Upgrade(s), and Shared Network Upgrade(s) as identified in the latest study report (final Interconnection System Impact Study report or final Interconnection Facilities Study report) or one-million dollars ($1,000,000); Proposed text: If the Interconnection Customer has a completed Interconnection System Impact Study as of the Effective Date of GIP, it shall pay the higher amount of either one hundred percent (100%) of the costs identified for Transmission Provider’s Interconnection Facilities, Network Upgrade(s), and Shared Network Upgrade(s) as identified in the latest study report (final Interconnection System Impact Study report or final Interconnection Facilities Study report) or one-million dollars ($1,000,000); capped at $5,000,000. Commentary: SRP’s proposal would impose much higher financial requirements, and as a result much greater potential financial penalties in the case of withdrawal, for entering the Transition Process versus projects without completed studies. A financial deposit equal to $5,000,000 would be more than adequate to deter nonviable projects from advancing into the transition process. |
| GIP | 3.9.1 (i-iii) | If Interconnection Customer withdraws or is deemed withdrawn, the Application Fee, the expended amounts of the Study Deposit, the Security Deposit, and the Deposit in Lieu of Site Control (if applicable) are nonrefundable. The Proposed text: If Interconnection Customer withdraws or is deemed withdrawn, the Application Fee, the expended amounts of the Study Deposit, the Security Deposit, and the Deposit in Lieu of Site Control (if applicable) are nonrefundable. The following additional penalties may be applied only if a project withdrawal has a material impact. |
following additional penalties may be applied:

(i) If a valid Interconnection Request withdraws prior to or at Decision Point I, and the Interconnection Customer provided a Deposit in Lieu of Commercial Readiness, a penalty of four-hundred-thousand dollars ($400,000) will be applied;

(ii) If Interconnection Customer withdraws or is deemed withdrawn after Decision Point I, fifty percent (50%) of the Readiness Milestone 1 payment is non-refundable. If Interconnection Customer provided a Deposit in Lieu of Commercial Readiness the withdrawal penalty shall be the higher of either the fifty percent (50%) of the Readiness Milestone 1 payment or twenty-five percent (25%) of the Deposit in Lieu of Commercial Readiness;

(iii) If Interconnection Customer withdraws or is deemed withdrawn after Decision Point II, one hundred percent (100%) of all Milestone payments are non-refundable. If Interconnection Customer provided a Deposit in Lieu of Commercial Readiness the Withdrawal Penalty shall be the higher of either ten percent (10%) of all Readiness Milestone payments or ten percent (10%) Deposit in Lieu of Commercial Readiness;

Commentary: Our proposed changes align with FERC Order 2023 payment milestone equivalent withdrawal penalties.

As is, SRP's proposed withdrawal penalties strongly discourage even rational developers from advancing in its interconnection process or even submitting requests at all. SRP’s proposal would effectively cripple renewable energy development in the state of Arizona, which we don’t believe is SRP’s intent. SRP should
Lieu of Commercial Readiness, carefully assess whether it intends to encourage viable projects or altogether discourage renewable development in the state.

Note that the percentages proposed in (ii) and (iii) above assume SRP’s proposed readiness milestones; if SRP adopts FERC’s (lower) milestone payment requirements, then penalty percentages would increase in inverse proportion. Essentially, we advise that SRP adopt milestone payment requirements and penalty percentages such that their products (effectively the withdrawal penalty amount) are equivalent to the amounts prescribed under FERC Order 2023.

<table>
<thead>
<tr>
<th>GIP</th>
<th>3.9.1 (iv)</th>
<th>(iv) If Interconnection Customer withdraws or is deemed withdrawn from the Transition Process the entire transitional study deposit in non-refundable.</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Proposed Text:</strong></td>
<td>If Interconnection Customer withdraws or is deemed withdrawn from the Transition Process the withdrawal penalty is nine times (9x) the cost of studies.</td>
<td></td>
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<tr>
<td><strong>Commentary:</strong></td>
<td>We propose that SRP adheres to FERC Order 2023 regarding transitional cluster withdrawal penalties, as such penalties were deemed just and reasonable and will undoubtedly have a dramatic impact on customer decisions. Additionally, it would not be fair or logical to require customers to forfeit money for interconnection facilities that are no longer needed as a result of their withdrawal.</td>
<td></td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th>GIP</th>
<th>1 Definitions</th>
<th><strong>Readiness Milestone 1 (M1)</strong> shall mean a payment of cash or an irrevocable letter of credit by Interconnection Customer to Transmission Provider in an amount equal to fifty percent (50%) of the cost allocation for the costs of the Network Upgrade(s), and the Point of Interconnection Costs as estimated in the Cluster System Impact Study and Point of Interconnection Facilities Study. M1 payments may be zero but cannot be a negative number.</th>
</tr>
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<tbody>
<tr>
<td><strong>Proposed Text:</strong></td>
<td>shall mean a payment of cash or an irrevocable letter of credit by Interconnection Customer to Transmission Provider in an amount equal to ten percent (10%) of the cost allocation for the costs of the Network Upgrade(s), and the Point of Interconnection Costs as estimated in the Cluster System Impact Study and Point of Interconnection Facilities Study. M1 payments may be zero but cannot be a negative number.</td>
<td></td>
</tr>
<tr>
<td>GIP</td>
<td>1 Definitions</td>
<td><strong>Readiness Milestone 2 (M2)</strong> shall mean a payment of cash or an irrevocable letter of credit by Interconnection Customer to Transmission Provider in an amount equal to one hundred percent (100%) of the cost allocation for the costs of the Network Upgrade(s) and Point of Interconnection Costs to the extent not already paid in M1. <strong>Proposed Text:</strong> shall mean a payment of cash or an irrevocable letter of credit by Interconnection Customer to Transmission Provider in an amount equal to twenty percent (20%) of the cost allocation for the costs of the Network Upgrade(s) and Point of Interconnection Costs to the extent not already paid in M1. <strong>Commentary:</strong> Here again we propose that SRP adheres to FERC Order 2023 regarding readiness milestones, which FERC has deemed just and reasonable.</td>
</tr>
</tbody>
</table>
SRP LGIP/SGIP Reform - Longroad Energy Questions and Comments
Submitted to SRP on 7/31/2023

Longroad Energy respectfully submits the following questions and comments to SRP regarding the proposed LGIP changes posted to OASIS on 6/9/2023.

Questions About the Posted Changes

<table>
<thead>
<tr>
<th>Topic</th>
<th>Question</th>
</tr>
</thead>
<tbody>
<tr>
<td>Commercial Readiness Requirements</td>
<td>Will SRP accept an executed Framework Purchase Agreement for solar panel modules with a signed affidavit stating the modules will be used for the project as evidence of a site-specific purchase order for the generating equipment? This agreement is how we procure and deliver modules to all our projects.</td>
</tr>
<tr>
<td>Site Control</td>
<td>Can SRP expand on what “regulatory limitations” refers to in the context of a deposit in lieu of Site Control?</td>
</tr>
<tr>
<td>Transitional Cluster</td>
<td>If a customer has a draft Facilities Study agreement and is ready to move into LGIA negotiations, will they be required to re-submit the project into the Transitional Cluster?</td>
</tr>
<tr>
<td>Transitional Cluster</td>
<td>SRP noted that the Transitional Cluster study deposit will be $5,000,000, or, if the IC has completed a System Impact Study (SIS), a cash deposit equal to 100% of the costs identified in the SIS. If we have completed an SIS, are we allowed to post the lesser of these two options?</td>
</tr>
<tr>
<td>Disposition of Funds</td>
<td>SRP stated 50% of Milestone 1 (M1) will become non-refundable after Decision Point 1. What is SRP’s plan for the distribution of these funds?</td>
</tr>
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Alternative Proposals

<table>
<thead>
<tr>
<th>Proposal Reference Language</th>
<th>Comments &amp; Alternative Proposal</th>
</tr>
</thead>
<tbody>
<tr>
<td>Commercial Readiness</td>
<td>Longroad firmly agrees with SRP’s objective of reducing speculative interconnection requests through LGIP reforms. However, we believe SRP’s proposed commercial readiness requirements are incompatible with open access principles. We caution SRP against raising barriers to entry too high, especially to the point where even viable projects are unable to succeed. Responsible development practices necessitate parallel paths for a) development activities such as generator interconnection studies and environmental permitting, b) power marketing activities such as Power Purchase Agreement (PPA) or asset sale negotiations, and c) equipment procurement. FERC has recognized this in its Order No. 2023 “Improvements to Generator Interconnection Procedures and Agreements issued July 28, 2023. In particular, a PPA, PPA term sheet, or asset sale agreement requires confirmed interconnection cost and schedule. A PPA is a binding contract</td>
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</tbody>
</table>
for the sale of electricity and/or capacity attributes from a generating facility at a defined price and schedule. It is impossible to agree on price or schedule for products from a generating facility before the facility's interconnection cost and schedule are known. The generator interconnection process is the only means for developers to obtain reliable estimates.

SRP's proposed LGIP revision allows "reasonable evidence that the generating facility has been selected in a resource plan." This is not a clear criterion. Integrated resource planning does not select individual generators, rather, this process evaluates resource needs and outlines generation scenarios that could satisfy projected needs. Typically, utilities will solicit projects for PPAs via Request for Proposals (RFPs) with RFP procurement targets based on resource planning studies. The resource planning activities do not result in projects being selected for PPAs, it is the subsequent RFPs and PPA negotiations which determine which projects are selected for contracts. Longroad believes this clause about "resource plans" should be eliminated from SRP’s proposed LGIP revision because it is not in sync with the way resources are actually planned and procured, and is not a suitable means to assess project readiness.

In its Order 2023, FERC found that "commercial readiness demonstrations in the NOPR proposal may not necessarily serve as appropriate indicators of a proposed generating facility's commercial viability ... [and] the proposed non-financial commercial readiness demonstrations may be unavailable to interconnection customers with commercially viable projects ... as a result of a misalignment of the timing between resource procurement decisions and interconnection study processes or inconsistency with a relevant local commercial practice, rather than because the proposed generating facilities lack commercial viability."

SRP’s proposed LGIP revision would also allow site-specific purchase orders for generating equipment to demonstrate commercial readiness. Procuring equipment before receiving interconnection study results is impractical. At face value, this requirement would force developers to procure hundreds of millions of dollars of equipment before a facility is determined to be viable from an interconnection perspective, and while the delivery date for the equipment (which would be determined in interconnection studies) is yet unknown – an irresponsible business decision. There is also a chance that some vendors and developers would come up with contracting structures to satisfy SRP’s requirements while maintaining ample exit clauses or other flexible arrangements, for example, to revise schedule significantly based on interconnection studies. Supply chains have been subject to significant challenges in
recent years, and requiring that procurement contracts be signed before project viability and schedule are determined via the interconnection process would introduce significant risk into the market, erode trust, and necessitate increased costs for developers, utilities, and consumers.

Longroad is committed to the philosophy that the generator interconnection process should be designed to efficiently and effectively determine the cost, scope, and schedule of upgrades required to reliably interconnect proposed generation projects to the utility grid. Although some degree of uncertainty will always exist in a competitive generation environment, we are troubled by the volume of highly speculative generator interconnection requests in the queue.

Similar to SRP, we want to see a process that encourages rational development and promotes viable projects with minimal restudy. However, we don’t believe SRP’s proposed process accomplishes that goal, but instead pushes speculation out into the offtake market and even into the major equipment manufacturing space. As we described earlier, the interconnection study is not the last step in the development process, nor should it be treated as such. In summary, requiring developers to negotiate PPAs before they have any confirmed information on interconnection cost or schedule will result in more speculative PPAs, increased risk to Utilities as counterparties to these PPAs, and ultimately more expensive energy for the end customer.

We have three major concerns with the proposed process:

1. Requiring developers to sign PPAs or term sheets before they have any confirmed information on interconnection cost or schedule will result in PPAs with abundant exit clauses, thus significantly undermining their use as evidence of commercial readiness.

2. Requiring a site-specific purchase order before any confirmed information on interconnection schedule is known will unnecessarily push speculation into the major equipment manufacturing space. This added risk could ultimately drive-up equipment prices and increase lead times as manufacturers manage significant changes and have to re-work their own supply planning and material ordering schedules. Additionally, continuously updating purchase orders as more schedule and grid information becomes known would significantly erode the Developer-Supplier relationship, to nobody’s benefit.

3. The proposed readiness requirements do not scale logically with the rational development cycle

Alternative Proposals:

• Require the following at Cluster Entry:
  ○ One of the following Commercial Readiness Milestones:
- Executed term sheet, evidence of ongoing term sheet negotiations, or an outline of the interconnection customer’s plan to market the project to offtakers (including a signed affidavit)
- A blanket purchase agreement for major equipment
- Evidence of applications submitted for key permits, or an outline of the interconnection customer’s plan to obtain permits (including a signed affidavit)
- A deposit in-lieu of commercial readiness in the amount of 2x of the Study Deposit, consistent with the FERC NOPR
  - Evidence of 90% Site Control, stepping up to 100% at GIA execution
  - Non-refundable $5,000 application fee
  - Study deposit of $75,000 plus $1,000/MW, up to $250,000
- Require the following at Decision Point 1:
  - One of the following Commercial Readiness Milestones:
    - Executed term sheet, evidence of ongoing term sheet negotiations, or evidence that project has been bid into an RFP or other resource procurement process
    - Evidence of key permit applications submitted or obtained and 30% design documents
    - Site Specific purchase order for major electrical equipment
    - Additional 5% posting of identified Network Upgrades identified in Phase I in-lieu of commercial readiness, consistent with the FERC NOPR, in the form of a letter of credit or bond
    - Evidence of continued Site Control (90%)
  - 5% posting of identified Network Upgrades in as M1 posting, in the form of a letter of credit or bond
- Require the following at Decision Point 2:
  - One of the following Commercial Readiness Milestones:
    - Executed term sheet or evidence of ongoing term sheet negotiations
    - Evidence project has been selected in a resource procurement process
    - Site-specific purchase order
    - Evidence of key permits obtained
    - 10% posting of identified Network Upgrades, consistent with the FERC NOPR, in the form of a letter of credit or bond
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<td>o 10% posting of identified Network Upgrades as M2 posting, in the form of letter of credit or bond</td>
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<td>• Introduce a pre-cluster screening study, similar to MISO, where customers are allowed to withdraw their projects with no penalty 15 days after screen study results are posted.</td>
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<td>o <strong>Impact:</strong> this initial screening study will help developers make rational decisions on project viability before SRP puts significant time and effort into a full study. It also gives them at least some system information to potentially help progress permitting and offtake negotiations.</td>
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<td>• Introduce the option for Resource Solicitation Clusters</td>
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<td>• Offramps for projects with increases in NU cost allocations between Phase I and II exceeding 25% of the Phase I allocation</td>
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SRP GIP GIA Reforms

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August 2023
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    • FERC 842 language updates
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November 6, 2023 – January 15, 2024
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*NU costs = Network Upgrade and Point of Interconnection (POI) costs; POI costs = Transmission Provider Interconnection Facilities (TPIF) plus Common Facilities Use Fees (CFUF) identified in the latest study
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- CR*
- Site Control*

Studies
- Cluster SIS
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- M1 Payment

Re-Studies/NU
- SIS Re-Study
- NU FaS
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GIA/EPC

440 days

*Partially refundable In-Lieu of Commercial deposit; non-refundable deposit in-lieu of Site Control due to regulatory limitations
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Any documentation that clearly demonstrates the right of Interconnection Customer to exclusively occupy a site of sufficient size to construct and operate the Generating Facility, as set forth in the Site Control Business Practice:

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SRP Interconnection Reform Q & A

Last Updated: July 10, 2023

SRP is accepting questions and comments until **August 1, 2023**, in response to its June 12, 2023, LGIA and LGIP Review Update posted on OASIS.

The following is a compilation of answers to questions posed by interested parties on SRP’s proposed interconnection reforms. If you have further questions, please email SRPOATTRevisions@srpnet.com.

1. **Question:** Can SRP confirm whether proposed changes primarily apply to the SRP-owned queue or if they also affect the Southwest Valley and ANPP HVS Queues?

   **Answer:** SRP confirms that the proposed changes will apply to the queues that SRP operates. SRP operates the queues for the following transmission systems: the SRP Owned Transmission System; Arizona Nuclear Power Project High Voltage Switchyard (ANPP HVS), Arizona Nuclear Power Project Valley Transmission System (ANPP VTS), Southwest Valley Transmission System, and Palo Verde-Pinal Central Transmission System.

2. **Question:** If the changes apply to the Southwest Valley Queue, will the outstanding queued projects be included in the cluster study process with the SRP-queued projects?

   **Answer:** Existing Interconnection Customers will have the option to either: (1) exit the queue with the option to re-submit the interconnection request in a later cluster process (with the requirement to provide study deposits, application fee, and demonstrate site control and commercial readiness) or (2) participate in the transitional study process. More information regarding the transitional study process is available on page two of the [LGIA and LGIP Review Update document](https://www.srp.net) on OASIS.

3. **Question:** Considering the separate OATTs and the involvement of APS as a key stakeholder in the Southwest Valley Queue projects, can an argument be made against lumping the Southwest Valley Queue together with the SRP-owned queue for a cluster study?

   **Answer:** To improve the timeliness of the interconnection study process for all projects, it is SRP’s plan to study all projects in a single cluster together regardless of which transmission system the project intends to interconnect to. If a project is too geographically remote to be studied in the single cluster, SRP may study the project in a separate cluster.

4. **Question:** Please provide any information regarding the timeline for submitting the proposed changes to FERC and the anticipated effective date of the new LGIP. If SRP does not file with FERC, who will approve the LGIP changes?

   **Answer:** As a political subdivision of the State of Arizona, SRP is a non-jurisdictional entity pursuant to Section 201(f) of the Federal Power Act. SRP operates its transmission system under an Open Access Transmission Tariff (“Tariff”) approved and overseen by the SRP Board of Directors (“SRP Board”). The SRP Tariff reforms need not be filed with the Federal Energy Regulatory Commission (“FERC”). SRP, therefore, will not be submitting the proposed changes to FERC for approval.
SRP will submit the proposed reforms to the SRP Board in Q4 2023 to request approval of the proposed changes to be effective in Q4 2023. Prior to submitting the proposed reforms to the SRP Board, SRP will provide a 30-day public review and comment period.

5. Question: If an entity is interested in submitting comments on the LGIA and LGIP review proposed by SRP, when is the comment deadline for comment submission?

Answer: August 1, 2023, is the deadline to respond to the conceptual changes SRP posted on OASIS June 12, 2023. SRP plans to post the redline versions of the procedure and interconnection agreements to OASIS for public comment in the September/October 2023 timeframe. The time to submit comments will be approximately 30 days after the release of the proposed changes.

6. Question: Can interested entities still submit Interconnection Applications before January of 2024 or has the queue closed?

Answer: Interested entities can continue to submit Interconnection Applications. The queue has not closed. Please direct specific Interconnection Application questions to SRPInterconnections@srpnet.com.

7. Question: Will SRP post redlines of the proposed LGIP?

Answer: Yes, SRP will post redlines of the proposed revisions in the September/October 2023 timeframe.

8. Question: How many days after the effective date will interconnection customers have to submit deposits and documents?

Answer: SRP is targeting a Q4 2023 effective date for these reforms. Interconnection Customers will have approximately 30 days from the effective date to submit deposits and documents to participate in the transitional study process. Interconnection Customers interested in participating in the First-Ready, First-Served Cluster will need to submit all required deposits, fees, and documents during the cluster window (approximately Jan 15 – Feb 14).

9. Question: Is there a way to include stakeholders in an email list for future stakeholder meetings and updates?

Answer: All pertinent information regarding SRP’s LGIA and LGIP reforms, including the date, time and the meeting location or link for future stakeholder meetings, will be posted on the SRP OASIS landing page. If you would like to receive an email notification regarding stakeholder meetings, please email SRPOATTRevisions@srpnet.com.
SRP Interconnection Reform
Questions and Answers

Last Updated: August 31, 2023

On August 11, 2023, SRP posted proposed redlines to its Generator Interconnection Procedures and Agreement(s) and accepted questions and comments in response to the proposed redlines. On August 24, 2023, SRP held an informational stakeholder meeting. The questions and answers SRP received in response to the proposed redlines from August 11, 2023, to August 24, 2023, are provided below.

If you would like to join the email distribution list to receive updates regarding SRP’s interconnection reforms, please email SRPOATTRevisions@srpnet.com

1. **Question:** The GIP states the interconnection procedures applies to projects regardless of size. Will all generation size be subject to the same financial commitments (i.e. study deposit, security deposit, commercial readiness deposit in lieu)?

   **Answer:** The new procedures will govern all sizes of projects connecting into the transmission system. Study Deposits are tier based on size ($75,000 + $1,000/MW). Security Deposit is $100,000 no matter the size. The deposit in lieu of Commercial Readiness is the same for all sizes.

2. **Question:** We (customer) highly support SRP’s proposal to include a deposit in lieu of commercial readiness. Can SRP clarify what amount of deposit and form of acceptable payment will be required in lieu of commercial readiness in Section 3.3.1(v)(v.i).?

   **Answer:** The in-lieu of commercial readiness deposit is $7.5M and can be provided in cash or Letter of Credit.

3. **Question:** Does the regulatory limitation as written in the Site Control Business Practice qualify tribal projects unable to obtain site control as a “regulatory limitation”?

   **Answer:** The Site Control Business Practice may not specifically speak to tribal land, but SRP will consider the possibility that tribal land could fall under “regulatory limitation.” This will be handled on a case-by-case basis. (Site Control Business Practice Section 6.1.1). It is important to understand that site control is required at Decision Point 2 (D2) with no regulatory limitation. (Section 3.3.1) (Site Control Business Practice Section 5.4).

4. **Question:** Can SRP clarify in Section 3.3.1(v) that the deposit in lieu of Site Control due to regulatory limitations is $500,000?

   **Answer:** Correct, the deposit in lieu of Site Control due to “regulatory limitations” is $500,000.

5. **Question:** Can SRP clarify the Readiness Milestones required in Section 3.5 and Section 3.3.1 (iv)?
**Answer:** The amounts listed below are found in the definitions for the associated Readiness Milestones in the proposed GIP.

- **Readiness Milestone 0 (M0):** is a cash payment in the amount of the Application Fee ($5,000) and Study Deposit ($75,000 + $1,000/MW – max of $250,000). There is also a Security Deposit ($100,000) required at submission of an Interconnection Request per Section 3.3.1 (vi).
- **Readiness Milestone 1 (M1):** is a cash payment or letter of credit in the amount of 50% of the projects cost allocation for Network Upgrade(s) and the Point of Interconnection.
- **Readiness Milestone 2 (M2):** is a cash payment or letter of credit in the amount of 100% of the projects cost allocation for Network Upgrade(s) and the Point of Interconnection.

6. **Question:** Can SRP clarify examples of site-specific purchase orders in Section 3.3.1(vii) Option 4? Does a transformer qualify as a site-specific purchase order?

**Answer:** SRP is still working to determine what the minimum requirement will be for this Section 3.3.1(vii) Option 4. This will be posted in a Business Practice once it is available.

7. **Question:** Can SRP clarify the level of study deposit required in Section 3.3.1?

**Answer:** The Readiness Milestone 0 is due under Section 3.3.1, which includes the Application Fee ($5,000) and Study Deposit, which is $75,000 + $1,000/MW with a maximum of $250,000.

8. **Question:** Can SRP clarify the level of security deposit required in Section 3.3.1?

**Answer:** Security Deposit is a defined term meaning $100,000. Both the Readiness Milestone 0 (M0) and the Security Deposit are due with the application submittal.

9. **Question:** Can you please provide more clarity on how milestones and decision points are aligned?

**Answer:** Readiness Milestone 1 aligns with Decision Point 1 and Readiness Milestone 2 aligns with Decision Point 2.

10. **Question:** How soon will the Withdrawal Penalties be dispersed to the Cluster Group?

**Answer:** The Withdrawal Penalties will be credited to interconnection customer study deposits within the same Cluster when the penalty has been received.

11. **Question:** Why would an LGIA project have to go back into the Transitional Study? Please clarify if projects that are in service, in construction, or provided Notice to Proceed would still be subject to Transition requirements under 5.2.1.

**Answer:** Under the current LGIP process, when the queue changes ahead of a project that has not reached in-service, an SIS restudy is required to verify there are no material changes for the project. This could include projects with executed Interconnection Agreements. SRP is proposing to include projects with executed LGIAs that have not reached in-service in the Transitional Study because SRP expects that these proposed reforms will cause significant changes to the queue and base case(s) previously used to study those projects.
12. Question: Why would a project in the Transitional Study Process be held to a more stringent Withdrawal Penalty?

   Answer: SRP is proposing to complete the Transitional Study Process in an expedited manner, so that the results of the transitional study can be used for the base case of the first cluster study. As such, projects that withdraw from the transitional study may adversely impact the remaining projects in the transition and/or delay the first cluster. The significant withdrawal penalty is to avoid these negative impacts.

13. Question: Why would a project in the Transitional Process have to pay $5,000,000 in the form of cash or LOC?

   Answer: The $5,000,000 payment is for projects that have not received a completed SIS or FAS. $5,000,000 is an average of interconnection costs at a Point of Interconnection.

14. Question: For Shared Network Upgrades, when will the IC be notified if later queued project will be sharing in the cost?

   Answer: The shared costs will not be known until the next Cluster System Impact Study has been completed. The previous clusters will be notified once it is known what additional cost sharing is determined.

15. Question: In section 5.3, is SRP saying that if a project does not have Facility Study from the previous process, then a Transitional FAS will need to be conducted? Is this assuming that if the project still must go through the Transitional SIS?

   Answer: All projects in the transition will need a Transitional SIS as the queue makeup is anticipated to be different than it is today. If a project does not have a FAS showing the costs at the POI, then a Transitional FAS will be required.

16. Question: Can SRP please explain why they believe they would like IC’s to provide an Executed Cluster System Impact Study Agreement and an Executed Point of Interconnection Facility Study Agreement?

   Answer: SRP will be conducting the Cluster System Impact Study and the Point of Interconnection Facility Study concurrently. To meet the deadline necessary to start both studies, Interconnection Customers must provide a partially executed study agreement for both the Cluster SIS and the POI FAS.

17. Question: Please clarify if existing projects intending to enter Transition Cluster Study will be required to provide written confirmation that IC is authorized to transact business in AZ.

   Answer: No, SRP anticipates that existing interconnection customers have already satisfied this requirement.

18. Question: Please clarify if the intention of the language for Shared Network Upgrades is for NU costs allocated to higher-queued to be assigned to lower-queued projects that will benefit from the NU.
**Answer:** Yes, the intent is if a higher-queued cluster has a network upgrade that is determined to be a Shared Network Upgrade in a lower-queued cluster study, the lower-queued cluster will share in a portion of the cost for that upgrade.

19. **Question:** Please clarify whether the Commercial Readiness Demonstration in the Transitional process allows an IC to enter Transition using a Deposit in Lieu of Commercial Readiness in general without demonstrating any of Option 1 – 4, and not exclusive to a scenario where one of them are partially met.

**Answer:** A project must either demonstrate Commercial Readiness for the full project or pay the in lieu of Commercial Readiness deposit.

20. **Question:** Please clarify if POI FaS and NU FaS is to take place concurrently, staggered, or back-to-back.

**Answer:** The POI Facilities Study will be performed concurrently with the Cluster System Impact Study. The NU Facility Study will be completed after these two studies have been completed and after Decision Point 1.

21. **Question:** For projects with executed LGIAs that have already posted the full cost of the projects, would they then need to post the full amount again for the transition, meaning they post double the total cost of the project? Similarly, for projects with a complete SIS, would they need to post the full amount of the interconnection cost to remain serial and then upon LGIA execution, post the full amount of the interconnection cost again, meaning posting double the project cost?

**Answer:** Whether a project has an executed LGIA or just a completed SIS, the project will need to pay 100% of the costs known for the Interconnection Facilities and Network Upgrades. If a project has already fully paid under a current EPC with SRP, this satisfies this requirement. The funding received for projects that are not under EPC will be used to satisfy the EPC payments at the time the project moves into EPC. If the known costs are less than $1M, then the project must pay $1M.

22. **Question:** Will a letter of intent qualify as a form of site control demonstration?

**Answer:** A letter of intent will not qualify as a form of site control because a letter of intent does not show that an Interconnection Customer has the right to occupy a site. SRP will provide an updated Site Control Business Practice in October 2023 to include examples of site control documentation that are acceptable.

23. **Question:** Will SRP require Site Control for the generation tie line at application?

**Answer:** No.

24. **Question:** Are projects that qualify as Existing Generating Facilities according to the LGIP subject to section 5.2.1 of the proposed GIP?

**Answer:** All projects that have not reached in-service can either join the proposed transition process or will be withdrawn and can join the new cluster study process beginning in 2024.
25. **Question:** For Interconnection Requests with an SIS, in order for them to participate in the transitional study, can site control and commercial readiness also be replaced with deposits and are these deposits refundable or not?

**Answer:** Commercial readiness can be satisfied with an in-lieu of deposit. A deposit in lieu of site control can only be submitted if the lack of site control is due to regulatory limitations. If a deposit in-lieu of is utilized, this would be in addition to the required transition deposits. If the project withdraws, the in-lieu of deposits are non-refundable. If a project moves into construction, the deposits will be applied towards construction of Interconnection Facilities and Network Upgrade(s).

26. **Question:** What is the basis for the $5,000,000 non-refundable payment for the transition "I.R. with no SIS"? Assuming the project dropped out of the queue and re-entered during the cluster window their total cost would be significantly less if I understand correctly ($5,000 + $250,000 refundable + $100,000 non-refundable security deposit). Is SRP basically asking newer projects to either drop out or wait until the cluster window opens?

**Answer:** The $5 million payment is for projects joining the transition process, but that do not have a completed SIS with Interconnection Facilities costs identified. Since actual costs would not have been identified, the $5 million payment is the estimated average cost at a Point of Interconnection. SRP’s intent is to provide all projects the option of either joining the transition, subject to the requirements stated in the proposed GIP, or withdrawing with no penalty and joining the new cluster study process.

27. **Question:** How is SRP planning to handle wires-to-wires interconnection requests? Currently SRP includes them in generation queues and applies the same process. Will this continue or will wires-to-wires requests be treated separately?

**Answer:** Wires to wires will not be included in the same queue as generation interconnection requests. SRP will post a Business Practice regarding wires-to-wires requests in October 2023.

28. **Question:** Can SRP clarify the timelines and milestone payments associated with the transition cluster beyond costs associated with entering the transition cluster? Will they match the existing timelines and milestones or the new proposed process?

**Answer:** SRP’s proposed transition process does not include milestone payments. All payments and documentation required for the transition process must be submitted within 30 days of the Effective Date of the GIP (November 6, 2023, to December 7, 2023).

29. **Question:** Under Readiness Milestones, why are network upgrades 50% and 100% non-refundable at Decision Point 1 and 2? Given that projects can withdraw from the queue, network upgrade costs can shift. Therefore, network upgrade cost does not seem like a certain cost to measure withdrawal penalties. SRP should consider measuring withdrawal penalties under the readiness milestones based on some multiple of study cost, like 3x study cost.

**Answer:** Half of M1 is refundable after D1 (25% of POI FAS and NU costs), all of M2 is non-refundable (100% of POI FAS and NU costs) after D2. SRP’s intent is to move the
interconnection study process along as quickly as possible. If projects withdraw, then the withdrawal penalty will benefit projects that have not withdrawn.

30. **Question:** Can a project opt to enter the Transitional Cluster Study as long as it has filed an interconnection request by November 6, 2023, or will it need to have something else (i.e. queue position) by a certain date?

   **Answer:** Yes, a project could enter the transitional study process if they have submitted an Interconnection Request by November 6, 2023.

31. **Question:** To confirm, is there any scenario where a project currently in the queue is able to avoid re-studies via the Transitional Cluster Studies or is every single project in the queue required to go through new studies (or withdraw)?

   **Answer:** The only projects that won’t be re-studied are those in service at the time of the transition. All other projects will be subject to re-study.

32. **Question:** Reforms are designed to expedite the process, how long was the process before?

   **Answer:** Because of delays in the current process, there is an 18 month hold before SRP can start an SIS. It takes approximately 3 years for a project to go from submittal to an executed LGIA currently.

33. **Question:** Verify that SRP is looking to start the Cluster SIS in April.

   **Answer:** Yes.

34. **Question:** If a project has an LGIA, but is subject to restudy: what if they are able to go in-service prior to the restudy being completed?

   **Answer:** A project cannot go in-service prior to the completion of all applicable studies and re-studies. Project specific questions should be directed to SRPInterconnections@srpnet.com.

35. **Question:** Would being shortlisted on RFP be acceptable for commercial readiness?

   **Answer:** Being shortlisted on an RFP is not acceptable proof of commercial readiness. SRP intends to post a Commercial Readiness Business Practice in October 2023.

36. **Question:** SRP separates the queues by jointly owned projects, but will the study work be done together or will they be studied in sub-clusters?

   **Answer:** SRP is proposing to study projects in a single cluster instead of serially. In all instances in which Transmission Provider elects to use subgroups in the Cluster Study process, Transmission Provider will publish the criteria used to define and determine subgroups on its OASIS.

37. **Question:** If a customer posts 100% of NUs/IFs for the Transitional Cluster, will any portion of the deposit be refunded if the Cluster Study results in lower costs?

   **Answer:** Assuming the project goes in-service and commercial, if there is overage in payment, yes it will be refunded. Interconnection Customers will only pay actual costs.
38. Question: If a project is in queue today but does not yet have an SIS, it is subject to the $5 million in lieu deposit? Is that additive to the $1 million deposit? Is that deposit refundable? If a project enters "Cluster 1" can it avoid that deposit as it is effectively starting over?

Answer: The $5 million deposit is for projects electing to join the transition that don’t have a completed SIS. The $1 million deposit for projects electing to join the transition is for projects that have a completed SIS but have estimated costs under $1 million. These deposits are not additive. If a project enters Cluster 1 it would not have to pay those deposits but would be subject to the requirements of the reformed process.

39. Question: Will network upgrades be proportional to size of projects?

Answer: Cost will be proportional to impact; SRP intends to post additional information in October 2023 regarding how this calculation will be done.

40. Question: How will these reforms impact existing Affected Systems Study that are in process with SRP (directly or indirectly)?

Answer: SRP anticipates that these reforms will not impact existing Affected Systems Studies. However, we encourage all projects with Affected Systems Study questions to contact SRPInterconnections@srpnet.com.

41. Question: Will SRP meet the 440-day target from Application to GIA if multiple-studies are required because projects drop after Decision Point 2?

Answer: Yes. SRP’s proposed reforms include stricter requirements for Site Control and Commercial Readiness and are intended to reduce the need for restudies. For this reason, it is anticipated SRP will meet its proposed 440-day timeline.
On August 11, 2023, SRP posted proposed redlines to its Generator Interconnection Procedures and Agreement(s) and accepted questions and comments in response to the proposed redlines. On September 7, 2023, SRP held an informational stakeholder meeting. The questions and answers SRP received in response to the proposed redlines from August 24, 2023, to September 7, 2023, and during the September 7, 2023, stakeholder meeting, are provided below.

If you would like to join the email distribution list to receive updates regarding SRP’s interconnection reforms, please email SRPOATTRevisions@srpnet.com

1. Q: Are all the deposits expected to be in cash or are Letters of Credit allowed? Including for the deposits required for transition?
   A: The $5,000 application fee and the Interconnection Request Deposit must be made in cash. Letters of Credit or cash will be allowed for the Deposits in Lieu of Site Control and Commercial Readiness and the Security Deposit. Deposits for the transition process can be either a Letter of Credit or cash.

2. Q: What is the difference between a POI Facilities Study and Network Upgrade Facilities Study?
   A: The Point of Interconnection Facilities Study occurs concurrently with the SIS and is the study that identifies what is required to interconnect at a specific site location i.e., the Point of Interconnection. The Network Upgrades Facilities Study occurs after the System Impact Study and Point of Interconnection Facilities Study and will show more in depth what is required to implement the Network Upgrades.

3. Q: When will demonstration of full site control be required?
   A: Demonstration of Site Control is required at the submission of the Interconnection Request unless there is a regulatory limitation. If there is a regulatory limitation, full site control must be demonstrated at Decision Point 2.

4. Q: What happens to customers who may soon be shortlisted for the recent SRP RFP but have not yet received any SIS results back yet?
   A: Projects that intend to join the transition study without a finalized System Impact Study report are required to satisfy the Commercial Readiness and Site Control requirements. Being shortlisted will not meet the Commercial Readiness requirement, but a payment In-Lieu of Commercial Readiness could be utilized.

5. Q: Will you accept surety bond for deposits?
   A: No, SRP will not accept surety bonds.

6. Q: What are ‘Regulatory Limitations’ as applied to Site Control?
   A: Regulatory Limitations are limitations caused by, for example, local, state or federal processes that delay the interconnection customer from obtaining site control. Because obtaining site control where regulatory agencies are involved may require additional time, SRP is proposing to include a deposit in lieu of site control. Specifics as to what documentation is needed to
demonstrate Regulatory Limitations, and examples of Regulatory Limitations, are posted on the OASIS site in the draft Site Control Business Practice.

7. Q: For the transitional cluster, the refundability of the commercial readiness has changed since the last presentation. It was previously $400,000 non-refundable, but now states 100% non-refundable. Can SRP clarify the reason behind this change?
   A: The previous version of the PowerPoint presentation included a typo. $400,000 is non-refundable in the cluster process if a project withdraws before D1/M1. There are no milestones in the transition, therefore any deposits made in the transition are immediately non-refundable.

8. Q: SRP has previously stated that a business practice will be published discussing commercial readiness. When does SRP expect to publish the business practice?
   A: SRP plans to have all Business Practices posted to OASIS in October 2023.

9. Q: Will there be standard waivers of the withdrawal penalties when study costs increase 25% or more than prior study estimates?
   A: SRP’s proposed reforms do not include a standard waiver of withdrawal penalties.

10. Q: Is $100K Security (part of M0) in addition to study deposit ($250K cap)? What section of LGIP is $100K mentioned?
    A: Yes, the Security Deposit of $100,000 is in addition to the Study Deposit. In the GIP, the Security Deposit is in the Definitions and in Section 3.3.1 of the GIP.

11. Q: For the Transitional Cluster, once the initial study deposits are made, what are the interconnection customer’s cost responsibility for network upgrades/facilities studies?
    A: For the Transitional Cluster, the additional deposits are 100% of the costs that are shown in the System Impact Study report or Facilities Study report. The Interconnection Customer’s cost responsibility is 100% of the costs identified for their interconnection and network upgrades.

12. Q: To re-confirm, projects with an executed LGIA do not need to provide site control or commercial readiness to proceed with the Transition, correct?
    A: Yes, projects with an executed LGIA do not need to provide site control and commercial readiness to proceed with the Transition.

13. Q: Would SRP potentially be executing any LGIA’s before the November transition for projects that have a completed Facilities Study?
    A: SRP will continue to process Interconnection Requests in a serial manner. However, if a project is not already in negotiations for an LGIA, it is unlikely that it would be executed by the November transition. Project specific questions can be directed to SRPInterconnections@srpnet.com

14. Q: What will be SRP’s process for reviewing whether tribal land would qualify as a regulatory limitation and if the associated project could proceed with the Deposit in Lieu of Site Control?
    A: SRP’s proposed reforms require (1) a signed declaration from an officer of the company with power to bind the Interconnection Customer indicating that Site Control is unobtainable due to regulatory limitations; (2) documentation sufficiently describing and explaining the source and effects of such regulatory limitations, including a description of any conditions that must be met
to satisfy regulatory requirements and the anticipated time by which Interconnection Customer expects to satisfy the regulatory requirements; and (3) a Deposit in Lieu of Site Control.

15. Q: Why do projects with completed Facilities Studies and executed LGIAs have to go through restudy under the transition?
A: To establish an accurate base case, SRP will need to study all projects that are not in service. The transitional study will account for all projects’ existing queue priority.

16. Q: If a project withdraws after posting M2, would there be a 2nd SIS Re-Study?
A: The need for a restudy after M2 would depend on the cluster and the impact the withdrawn project has on the cluster. The likelihood of a withdrawal after M2 is anticipated to be low because all projects will have demonstrated Commercial Readiness. However, if a restudy is needed, the customer(s) will be notified as soon as it is identified.

17. Q: For the Commercial Readiness requirements, what does evidence that a Generating Facility has been selected in a Resource Plan or Resource Solicitation Process include?
A: SRP will accept reasonable evidence showing that the Generating Facility has been selected in a Resource Plan or Resource Solicitation Process, including, for example, an email or letter from the soliciting entity to the interconnection customer stating that the Generating Facility has been selected.

18. Q: How long will the Transitional Cluster Study take until interconnection agreements can be executed?
A: The Transition Cluster Study is anticipated to be finalized in approximately March to April 2024. Execution of the interconnection agreements will be project specific, depending on, for example, whether the project requires a facilities study.

19. Q: Can you Clarify the cluster window? Is it 20 Calendar days (as per proposed LGIP) or 30 Calendar days as per the presentation on September 7?
A: The Cluster Window is a 20-calendar day window during which interconnection customers will submit an Interconnection Request. After the 20-calendar day Cluster Window, there is a 10-day deficiency cure period, during which SRP will have up to five days to review interconnection requests to identify any deficiencies, and interconnection customers will have five days to respond and cure those deficiencies. (See proposed GIP sections 3.3.1 and 3.3.4).

20. Q: As SRP proposes to use one LGIP for SRP facilities and jointly owned facilities, will APS and other FERC-jurisdictional participants need to review and approve the SRP processes? Shouldn’t then SRP’s process adhere to FERC Order 2023 for jointly owned facilities?
A: SRP is a non-jurisdictional entity under the Federal Power Act appointed by the participants in the jointly owned projects to oversee and manage the interconnection process. SRP has solicited feedback from the public, including the participants in the jointly owned projects, throughout this stakeholder process, which will be submitted to the SRP Board. The SRP Board has the authority to review, approve, or deny the proposed reforms. While, as a non-jurisdictional entity, SRP is not required to adhere to FERC Order No. 2023 or any subsequent modifications to Order No. 2023 on rehearing, SRP management will recommend to the SRP Board approval of the proposed interconnection reforms as consistent with or superior to the FERC pro forma and other interconnection processes.
21. Q: Can Commercial readiness requirements be moved from BPM to tariff due to importance? It should not change often and should be part of tariff.
   A: The Commercial Readiness requirements are listed in the GIP (tariff). The Business Practice, which will be available in October 2023, will elaborate on the details of those requirements.

22. Q: Why are there exceptions for Load-Serving Entity in Option 3 to meet commercial readiness? This creates an unfair advantage for LSEs.
   A: Option 3 in proposed GIP section 3.3.1(v) is one of several Commercial Readiness Demonstration options and allows “reasonable evidence...that the Generating Facility...is being developed by a Load-Serving Entity” as proof of Commercial Readiness. This provision recognizes that a Load-Serving Entity (LSE) is uniquely situated when trying to interconnect new generation. Option 3 is not exclusive to LSEs, as it includes two options that may be applicable to a non-LSE: (1) Reasonable evidence that the Generating Facility is being developed for purposes of a sale to a commercial, industrial, or other large end-use customer or (2) Reasonable evidence that the Generating Facility has been selected in a resource plan or resource solicitation process by or for an LSE. In addition, non-LSEs may select Option 1, Option 2, or Option 4 to demonstrate Commercial Readiness.

23. Q: Can an in-lieu deposit of site control be made refundable if good cause can be shown, which is outside of control of the customer (like losing a land auction)?
   A: No, SRP’s proposed reforms do not allow a good cause exception. If a project provided a Deposit in Lieu of Site Control due to Regulatory Limitations, and ultimately was unable to secure Site Control before Decision Point 2, the Deposit in Lie of Site Control would still be non-refundable.

24. Q: Are SRP or SRP affiliate owned projects required to meet each and every requirement, including cash deposits or are there exceptions or specific requirements for utility developed projects?
   A: All projects will be subject to the same requirements, regardless of if the project is owned by SRP or another utility.

25. Q: Why is there no provision in transition cluster for projects with a facilities study? Would they be considered under the same requirements for IR with executed LGIA?
   A: Only projects that have executed interconnection agreements are exempt from providing evidence of site control and demonstration of commercial readiness.

26. Q: For the transitional cluster, if a project has no SIS completed and submits a $5 million deposit, will the $5 million deposit be used to cover future network upgrade/facilities costs?
   A: Yes, the Transition Deposits will go towards construction costs.

27. Q: One immediate question we have is whether SRP is planning to automatically restudy projects with LGIAs that have not yet declared In Service, or whether certain conditions must be met before a restudy of such a project were required (i.e., some discrete need).
   A: SRP is planning to study all projects that elect to join the transition. All projects that have not reached in-service may join the transition process, or they may withdraw from SRP’s queue without penalty.
On August 11, 2023, SRP posted proposed redlines to its Generator Interconnection Procedures and Agreement(s) and accepted questions and comments in response to the proposed redlines. The questions and answers SRP received in response to the proposed redlines from September 8, 2023, to October 18, 2023, are provided below.

1. Under SRP’s current interconnection process, there is no reimbursement provided, through transmission credits, cash, or otherwise, for funding that an Interconnection Customer provides for Network Upgrades. However, I don’t see this issue specifically addressed in the queue reform documents. Can you please confirm whether the proposed queue reform currently contemplates any change to this Network Upgrade reimbursement policy?

Answer: This is addressed in SRP’s OATT and has not changed. For Participation Projects for which SRP is the Operating Agent, FERC jurisdictional entities currently pay transmission credits, if any. For all transmission systems that SRP operates or owns, Interconnection Customers that pay for Network Upgrades that are later identified as Shared Network Upgrades will receive payment in accordance with Section 5.3. See proposed GIP section 5.3(3).

2. Because Decision Point I is defined in the draft GIP as “the period beginning when the Transmission Provider tenders the Cluster System Impact Study report to the Interconnection Customer, including cost estimates for upgrades and concluding fifteen (15) Calendar Days after tendering the Cluster System Impact Study report,” are we correct to understand that withdrawals within 15 calendar days of receiving the draft Cluster System Impact Study report are subject to the penalty specified in Section 3.9.1(i)? Given the above definition of “Decision Point I”, are we correct in understanding that withdrawals after 15 Calendar Days of receiving the draft Cluster System Impact Study report will be subject to the penalty specified in Section 3.9.1(i)?

Answer: If an Interconnection Customer withdraws its Interconnection Request within fifteen (15) Calendar Days of receiving the Cluster System Impact Study report and prior to making a Readiness Milestone payment one (M1), Transmission Provider will withhold as a Withdrawal Penalty the following amounts:

- 100% of the unexpended amounts of the Interconnection Customer’s Study Deposit and Interconnection Customer’s Security Deposit;
- If the Interconnection Customer provided a Deposit in Lieu of Site Control, five hundred thousand dollars ($500,000);
- If the Interconnection Customer provided a Deposit in Lieu of Commercial Readiness the lesser of four hundred thousand dollars ($400,000) or ten percent (10%) of the Deposit in Lieu of Commercial Readiness.

Answer: Withdrawals that occur more than fifteen (15) Calendar Days after an Interconnection Customer receives the draft Cluster System Impact Study report and before Decision Point II will be subject to the following Withdrawal Penalty:

- 100% of the unexpended amounts of the Interconnection Customer’s Study Deposit and Security Deposit;
Five hundred thousand dollars ($500,000) if Interconnection Customer provided a Deposit in Lieu of Site Control;
- Fifty percent (50%) of the M1 payment;
- If Interconnection Customer provided a Deposit in Lieu of Commercial Readiness, the higher of either fifty (50%) of the M1 payment or twenty-five percent (25%) of the Deposit in Lieu of Commercial Readiness;

Any Withdrawal Penalty in excess of the total actual costs of the impact of the withdrawn Interconnection Request will be reimbursed to the withdrawn Interconnection Customer. See the draft SRP GIP, Section 3.9.2 and Section 4.

3. What is the date of the next stakeholder meeting?

Answer: SRP management does not intend to host an additional informational meeting. SRP management will present the GIP reforms to the District Board Power Committee on October 26, 2023, and request that the Power Committee make a recommendation for approval at the November 6, 2023, District Board Meeting. All written stakeholder comments provided to SRP management in response to the interconnection reforms will be provided in their original form to the Power Committee. Additional written comments may be submitted to the District Board through the SRP Corporate Secretary’s Office by emailing CorporateSecretary@srpnet.com.

To request information about the SRP Power Committee or District Board Meeting, including information about providing public comment at the Power Committee, please contact the SRP Corporate Secretary’s Office by phone at (602) 236-4398 or by email at CorporateSecretary@srpnet.com.

4. Please clarify: The Milestone 0 (M0) payments appear to be due at the end of application validation (approximately 100 days after the start of Cluster 1), is this accurate? Is there any payment due when the application is submitted between Jan 15 and Feb 14?

Answer: M0 is due no later than 11:59pm MST on the close of the 20-day Cluster Request Window. See Section 3.3.1(iv). All payments due on the close of the Cluster Request Window are listed in Section 3.3.1 of the GIP.

5. What if we had a shortlist for a project needing interconnection by the time of application cluster period and are on track to have a contract with the bid winner by M0, would we be able to show proof of commercial readiness by M0 and avoid the $7.5M in lieu of?

Answer: The demonstration of Commercial Readiness, or a Deposit in Lieu of Commercial Readiness is due on the close of the Cluster Request Window (11:59pm MST on February 4, 2024). Interconnection Customer will have until February 14 to cure deficiencies in their Interconnection Request.

6. One immediate question we have is whether SRP is planning to automatically restudy projects with LGIAs that have not yet declared In Service, or whether certain conditions must be met before a restudy of such a project were required (i.e., some discrete need).

Answer: SRP’s final revised GIP posted to OASIS on October 16, 2023, no longer includes projects with executed LGIAs in the transition process.
7. Can you clarify if a project being developed by a load serving entity (or by a developer with a PPA or EPC with a load serving entity) would qualify as satisfying Commercial Readiness demonstration using Option 3 under section 3.3.1 of your proposed LGIP? Specifically, what would ‘evidence’ look like for Option 3?

Answer: Evidence that a project is being developed by a load serving entity could be a declaration by an officer of the load serving entity stating that the project is being developed to serve load, or bid security held by the load-serving entity.

8. Please confirm our understanding of the deposits if a project entering your Cluster 1 Study does satisfy commercial readiness demonstration (and has site control) – would that project only be subject to the application fee, initial study fee, and security? E.g. 400MW project would have to provide ($5,000)+($250,000)+($100,000) = $355,000.

Answer: Yes.

9. Can you confirm the expected timeline for the first cluster?

Answer: SRP will accept Interconnection Requests during a 20-day period (the Cluster Request Window) – opening January 15, 2024. The final 10 days of the Cluster Request Window (February 4, 2024, to February 14, 2024) are the time during which SRP and the prospective Interconnection Customer can identify and cure any deficiencies to the interconnection request. See page 6 of this QA file for a visual timeline for the first cluster.

10. Do you have an estimated timeline difference for projects that enter new into Cluster 1 and those who remain in the queue in the transition process? What are the benefits of staying in the transition queue instead of withdrawing and entering the Cluster 1 if no SIS has been done yet (e.g., time to GIA, potentially less NU or POI costs, etc)?

Answer: Projects that enter Cluster 1 can expect to complete the Cluster System Impact Study 80 days after the close of the Customer Engagement Window (approximately the end of June 2024). Projects that remain in the queue as part of the transition process will complete the transition system impact study process in approximately April 2024.

SRP is unable to advise on the benefits or disadvantages of joining the transition process, but for more project-specific questions, please email SRPInterconnections@srpnet.com. In general, SRP anticipates that for projects in the Transition Process and Cluster 1 will be in the interconnection agreement stage in late 2024/early 2025.

11. If an Interconnection Customer that is joining the transition study process submits a letter of credit before the transition date and later meets one of the criteria for Commercial Readiness, will SRP return the letter of credit or will SRP keep the letter of credit until the project completes construction and reaches COD?

Answer: If a project can later demonstrate Commercial Readiness with Option 1 or Option 2 as specified in proposed GIP section 6.2.1(iv) after providing a letter of credit, SRP will return the letter of credit. Interconnection Customer is required to maintain its
Commercial Readiness demonstration throughout the transition process and until reaching in-service or provide an additional letter of credit.

12. Can you confirm if a letter of credit can be used for the security deposit?

   Answer: Yes, cash or a letter of credit can be used for the Security Deposit.

13. Can you please provide a letter of credit template for our credit and finance team to review?

   Answer: A letter of credit template is available in the draft Business Practices, posted to OASIS on October 13, 2023.

14. What will be the transitional study requirements for projects with a completed SIS and signed Facility Study Agreement?

   Answer: A project with a completed System Impact Study and a signed Facilities Study Agreement will need to provide the following to join the transitional study:

   - A demonstration of Commercial Readiness;
   - A demonstration of Site Control;
   - An executed Transitional System Impact Study Agreement, Transitional Facilities Study Agreement, Non-Disclosure Agreement; and
   - A deposit of one hundred percent (100%) of the costs identified for Transmission Provider’s Interconnection Facilities, Network Upgrades, and Shared Network Upgrades as identified in the latest study report (cash or letter of credit).

15. What will be the transitional study requirements for projects with a completed Facility Study and draft LGIA?

   Answer: A project with a completed Facility Study and draft LGIA will need to provide the following to join the transitional study:

   - A demonstration of Commercial Readiness;
   - A demonstration of Site Control;
   - An executed Transitional System Impact Study Agreement; and
   - A deposit of one hundred percent (100%) of the costs identified for Transmission Provider’s Interconnection Facilities, Network Upgrades, and Shared Network Upgrades as identified in the latest study report (cash or letter of credit).

16. Will SRP assess a withdrawal penalty if the interconnection customer’s withdrawal affects later clusters? Parts of section 3.9.1 and 3.9.2 suggest that a withdrawal penalty is assessed if there’s a material impact to anyone with an equal or lower Queue Position, regardless of Cluster, while other parts of these paragraphs seem to limit the withdrawal penalty to the same Cluster as the withdrawn project.

   Answer: SRP will assess a withdrawal penalty if a withdrawal has a material impact on the costs or timing of any Interconnection Request(s) with an equal or lower Queue
Position, whether they are in the same Cluster or a later Cluster. 3.9.1 and 3.9.2 have been revised as of October 19, 2023, to reflect this.
### SRP First-Ready, First-Served Interconnection Process

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<td>100 Days</td>
<td>110 Days</td>
<td>135 Days</td>
<td>95 Days</td>
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<td><strong>Customer Engagement</strong></td>
<td><strong>Phase 1</strong></td>
<td><strong>Phase 2</strong></td>
<td><strong>LGIA/EPC</strong></td>
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| Informational Workshop  
Cluster Window Jan 15 - Feb 14 | Cluster Study SIS  
POI FaS  
D1  
M1 | Cluster SIS Re-Study  
NU FaS  
D2  
M2 | Execute LGIA and EPC |
| **Application Validation**  
Scoping  
M0* | | | |

#### M0 – $5,000 Application Fee (non-refundable) AND  
$75,000 + $1,000/MW Initial Study Deposit, $250,000 maximum (unexpended amount is refundable if Interconnection Customer withdraws) AND  
$100,000 Security Deposit

#### D1 – Pay M1 - 30% of NU and 30% of POI costs (50% refundable if Interconnection Customer withdraws after D1)

#### D2 – Pay M2 - 60% of NU and POI costs (NU and POI costs non-refundable if Interconnection Customer withdraws after D2)

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**Acronyms:**

- **M0** – Initial Milestone Payment
- **D1** – Decision Point 1
- **M1** – Milestone Payment 1
- **D2** – Decision Point 2
- **M2** – Milestone Payment 2
- **LGIA** – Large Generation Interconnection Agreement
- **EPC** – Engineering, Procurement, and Construction Agreement
- **SIS** – System Impact Study
- **POI** – Point of Interconnection
- **FaS** – Facilities Study
- **NU** – Network Upgrades
- **SC** – Site Control
- **CR** – Commercial Readiness

*SC and CR requirement at M0; for SC regulatory limitations, a $500,000 non-refundable in-lieu deposit is required at M0.

*In-lieu of CR deposit in the amount of $75,000/MW, not to exceed $7,500,000; 50% of M1 payment or 75% of In-lieu of CR deposit refundable, whichever is greater*
Interconnection Reform Update

After review of comments and further discussions, SRP management plans to present a GIP containing the following additional changes to the District Board Power Committee on October 26, 2023. The changes summarized below will be available in the revised draft GIP on OASIS no later than October 19, 2023, with SRP’s Business Practices and an updated Questions and Answers document.

- Reduce the Deposit in Lieu of Commercial Readiness for the Cluster Study process and the Transitional Study process, from $7,500,000 to $75,000/MW not to exceed $7,500,000. *Definition: “Deposit In Lieu of Commercial Readiness.”*

- Reduce the Milestone Payments from 50% and 100% of the Network Upgrades (NU) and Point of Interconnection (POI) Facilities Costs to 30% and 60% of the NU and POI Costs. *Definition: “Readiness Milestone 1 (M1- 50% non-refundable) and Definition: “Readiness Milestone 2 (M2 – 100% non-refundable).”*

- If Site Control due to regulatory limitations is not resolved by Decision Point II, projects will no longer be withdrawn if they pay 100% of NU and POI costs by Decision Point II. This payment will be non-refundable. *Section 3.3.1, v.*

- Allow projects to submit the lesser of $5,000,000 or the Readiness Milestone payment at Decision Point I and Decision Point II, with the balance due 15 days after Decision Point I and Decision Point II, respectively. *Section 3.5.*

- Transmission Provider will only assess a Withdrawal Penalty if Interconnection Customer’s withdrawal materially affects other Interconnection Requests with an equal or lower Queue Position. *Section 3.9.1.*

- If a project withdraws after Decision Point I, the Deposit in Lieu of Commercial Readiness penalty will be changed from 25% to 50% of the Deposit in Lieu of Commercial Readiness. *Section 3.9.1, ii.*

- Eliminate Penalties paid by Transmission Provider and instead lower Interconnection Customer’s Milestone Payments, beginning with the Cluster in 2026, if a study exceeds the study timeframe contemplated in the GIP. *Section 3.10.*

- Reduce the Transitional Study deposit for projects that do not have a completed Interconnection System Impact Study from $5,000,000 to $2,000,000. *Section 5.2.1, vii, b.*

- Eliminate Commercial Readiness Demonstration Option 4 (site specific purchase order) for the Cluster Study process and the Transitional Study process. *Section 3.3.1, vii and Section 5.2.1, 6.2.1, iv.*

- Eliminate the requirement for Interconnection Customers with executed Interconnection Agreements to join the Transition Process. *Section 6.*
- Eliminate Commercial Readiness Demonstration Option 1 (executed term sheet) for the Cluster Study process and the Transitional Study process. *Section 3.3.1, vii and Section 6.2.1, iv.*

- Eliminate the requirement for projects with executed interconnection agreements that elect to join the Transitional Study to pay the greater of $1,000,000 or identified network upgrade costs. Projects that elect to join the Transitional Study and that have an executed interconnection agreement will only be required to pay 100% of the costs identified in their facilities study. *Section 6.2.1.*

- Eliminate the requirement for projects with final System Impact Study reports that elect to join the Transitional Study to pay the greater of $1,000,000 or 100% of the costs identified for Transmission Provider’s Interconnection Facilities, Network Upgrade(s), and Shared Network Upgrade(s). Projects that elect to join the Transitional Study and have a final System Impact Study report will only be required to pay 100% of the facilities costs to join the Transitional Study. *Section 6.2.1, vii, a.*
As previously noticed, SRP is updating its Large Generator Interconnection Procedures and form Large Generator Interconnection Agreement to address the large number of interconnection requests that are in the queue. Below is an update regarding some of the conceptual changes SRP is considering. SRP intends to present proposed revisions to the SRP District Board for approval and post the revisions to OASIS in early Q4 2023.

Please review the conceptual changes SRP is considering below and provide any comments or questions to: srpoattrevisions@srpnet.com. Comments, questions, and answers will be made available on OASIS in the SRP Open Access Transmission Tariff folder.

First-Ready, First-Served Cluster Study:

SRP is considering using a First-Ready, First-Served Cluster study process. SRP will offer one cluster annually that will take approximately 440 days to complete.

To join the cluster, prospective interconnection customers need to submit (1) a non-refundable application fee in the amount of $5,000; (2) a refundable less any costs incurred study deposit in the amount of $75,000 plus $1,000 per MW of requested Generating Facility Capacity, not to exceed $250,000; (3) a demonstration of site control or a non-refundable deposit in lieu of site control due to regulatory limitations in the amount of $500,000; and (4) proof of commercial readiness in the form of an executed term sheet, an executed contract for the sale of generating facility, reasonable evidence
that the generating facility has been selected in a resource plan or a site-specific purchase order for the generating equipment.

Throughout the First-Ready, First-Served Cluster study process, interconnection customers must provide Commercial Readiness Milestone payments at each Decision Point. The first Readiness Milestone ("M0") is satisfied by the interconnection customer providing an application fee and the study deposit. The second Readiness Milestone ("M1") is satisfied by interconnection customer providing an amount equal to fifty percent (50%) of the cost allocation for the network upgrades, shared network upgrades, and other interconnection costs. The third Readiness Milestone ("M2") is satisfied by the interconnection customer providing an amount equal to the cost allocation for the network upgrades, shared network upgrades, and other interconnection costs.

Withdrawal Penalties:

SRP is considering implementing withdrawal penalties for interconnection customers that withdraw from the First-Ready, First-Served Cluster study process. If an interconnection customer withdraws or is deemed withdrawn at any time, the expended amounts of its study deposit will become non-refundable. If an interconnection customer withdraws after Decision Point I, fifty percent of the M1 payment is non-refundable; and if an interconnection customer withdraws after Decision Point II, the M2 payment is non-refundable.

If an interconnection customer withdraws from the Transitional Study Process, the interconnection customer will be charged nine (9) times its actual allocated cost of all studies performed for interconnection customer at the point of withdrawal, not to exceed two million dollars ($2,000,000).

Transitional Study Process:

SRP is considering a Transitional Study Process for existing interconnection customers prior to beginning the first First-Ready, First-Served Cluster. Existing interconnection customers that meet the following requirements may join the Transitional Study Process.

Requirements for the Transitional Study Process:

1. Demonstration of commercial readiness in the form of an executed term sheet, an executed contract for the sale of the generating facility, reasonable evidence that the generating facility has been selected in a resource plan or a site-specific purchase order for the generating equipment; AND
2. Demonstration of site control in the form of ownership of, a leasehold interest in, or a right to develop; or an option to purchase or acquire a leasehold site for such purpose; or a contract or other agreement demonstrating shared land use for all co-located resources; or any other documentation that clearly demonstrates the right of interconnection customer to exclusively occupy a site; AND
3. Study deposit payments in the amount of $5,000,000, which may be in the form of an irrevocable letter of credit or, if the interconnection customer has completed a system impact study, a cash deposit equal to one hundred percent (100%) of the costs identified in the final System Impact Study report or Facilities Study report.
Existing interconnection customers that do not meet these requirements will not be allowed to join the transitional study, and they will receive a refund of their deposit and study funds that have not already been expended. Interconnection customers that do not join the transitional study may join the first or subsequent First-Ready, First-Served Clusters subject to the requirements of the First-Ready, First-Served Cluster.
Interconnection Reform Update

After review of comments and further discussions, SRP management plans to present a GIP containing the following additional changes to the District Board Power Committee on October 26, 2023. The changes summarized below are available in the revised draft GIP on OASIS, and SRP will provide an updated Questions and Answers document no later than October 19, 2023.

This document is being posted as a redlined document to show the differences between this version and the version posted on October 12, 2023.

- Reduce the Deposit in Lieu of Commercial Readiness for the Cluster Study process and the Transitional Study process, from $7,500,000 to $75,000/MW not to exceed $7,500,000. *Definition: “Deposit In Lieu of Commercial Readiness.”*

- Reduce the Milestone Payments from 50% and 100% of the Network Upgrades (NU) and Point of Interconnection (POI) Facilities Costs to 30% and 60% of the NU and POI Costs. *Definition: “Readiness Milestone 1 (M1- 50% non-refundable) and Definition: “Readiness Milestone 2 (M2 – 100% non-refundable).”*

- If Site Control due to regulatory limitations is not resolved by Decision Point II, projects will no longer be withdrawn if they pay 100% of NU and POI costs by Decision Point II. This payment will be non-refundable. *Section 3.3.1, v.*

- Allow projects to submit the lesser of $5,000,000 or the Readiness Milestone payment at Decision Point I and Decision Point II, with the balance due 15 days after Decision Point I and Decision Point II, respectively. *Section 3.5.*

- Transmission Provider will only assess a Withdrawal Penalty if Interconnection Customer’s withdrawal materially affects other Interconnection Requests with an equal or lower Queue Position. *Section 3.9.1.*

- If a project provided a withdraws after Decision Point I, the Deposit in Lieu of Commercial Readiness the withdrawal penalty after Decision Point I will be the higher of either changed from 25% to 50% of the Deposit in Lieu of Commercial Readiness or the M1 payment. *Section 3.9.1, iv.i.*

- Eliminate Penalties paid by Transmission Provider and instead lower Interconnection Customer’s Milestone Payments, beginning with the Cluster in 2026, if a study exceeds the study timeframe contemplated in the GIP. *Section 3.10.*

- Reduce the Transitional Study deposit for projects that do not have a completed Interconnection System Impact Study from $5,000,000 to $2,000,000. *Section 56.2.1, vii, b.*

- Eliminate Commercial Readiness Demonstration Option 4 (site specific purchase order) for the Cluster Study process and the Transitional Study process. *Section 3.3.1, vii and Section 5.2.1, 6.2.1, iv.*

- Eliminate the requirement for Interconnection Customers with executed Interconnection Agreements to join the Transition Process. *Section 6.*
- Eliminate Commercial Readiness Demonstration Option 1 (executed term sheet) for the Cluster Study process and the Transitional Study process. *Section 3.3.1, vii and Section 6.2.1, iv.*

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Eliminate the requirement for projects with executed interconnection agreements that elect to join the Transitional Study to pay the greater of $1,000,000 or identified network upgrade costs. Projects that elect to join the Transitional Study and that have an executed interconnection agreement will only be required to pay 100% of the costs identified in their facilities study. *Section 6.2.1.*

- Eliminate the requirement for projects with final System Impact Study reports that elect to join the Transitional Study to pay the greater of $1,000,000 or 100% of the costs identified for Transmission Provider's Interconnection Facilities, Network Upgrade(s), and Shared Network Upgrade(s). Projects that elect to join the Transitional Study and have a final System Impact Study report will only be required to pay 100% of the facilities costs to join the Transitional Study. *Section 6.2.1, vii, a.*
November 2, 2023

Salt River Project
1500 N. Mill Avenue
Tempe, AZ 85288

RE: Comments on Salt River Project’s Proposed Interconnection Reforms

Salt River Project and Board,

The Solar Energy Industries Association (SEIA) and the Arizona Solar Energy Industries Association (AriSEIA) appreciate the opportunity to provide written comments on the proposed interconnection reforms to address the large number of interconnection requests in the queue.

We have been active in this stakeholder proceedings for months and appreciate how responsive management has been to our concerns. Many of our concerns have been addressed in revisions to the proposed reforms, including the most recent draft of the interconnection reforms posted on October 19, 2023. However, we maintain concern with the Commercial Readiness requirements for entrance into the queue (GIP Section 3.3.1.vii) and the Commercial Readiness requirements for entrance into the transitional study cluster (GIP Section 6.2.1.iv). For the purposes of interconnection reform, Commercial Readiness is either a financial demonstration (such as a deposit) or a non-financial demonstration (like a term sheet) that provides some indication of the financial viability of the project.

In the August 11, 2023 proposed interconnection reforms, Interconnection Customers had four options for making non-financial demonstrations of Commercial Readiness. They could (1) provide an executed term sheet for the sale of the facility, the energy or capacity from the facility, or the ancillary services from the facility; (2) an executed contract for the sale of the facility; (3) reasonable evidence that the facility has been selected in a resource solicitation; or (4) a site-specific purchase order or a manufacturers blanket purchase agreement for equipment to which an Interconnection Customer is a party. In the October 13, 2023 proposed reforms, the third and fourth option for demonstrating Commercial Readiness had been removed.¹

We urge the Board to require SRP to reinstate the fourth option for Commercial Readiness and allow Interconnection Customers to demonstrate Commercial Readiness by providing a site-specific purchase order or a manufacturers blanket purchase agreement for equipment to which an Interconnection Customer is a party. As we have stated in our prior comments, we generally oppose non-financial demonstrations of Commercial Readiness. Such requirements can create incentives for economically inefficient contracting and procurement behavior, requiring these

¹ We would have raised these concerns with SRP Staff, however, due to the short amount of time between when the change was made and when the revisions were sent to the Board, we were unable to discuss the issue with members and gain consensus in time.
demonstrations could obscure true interconnection costs, which would ultimately deprive SRP customers of the benefits of low-cost generation. We have, however, supported the concept of allowing a blanket purchase agreement, because such an agreement demonstrates that the Interconnection Customer is making prudent investments into its project.

While recognizing the need for Interconnection Customers to provide greater demonstrations of readiness, we urge SRP to balance this requirement with the need for prudent project investment. By allowing for an Interconnection Customer to provide an equipment purchase agreement in order to enter the queue, or to enter the transitional cluster, SRP will allow more projects that are commercially viable to transition and to enter the queue. Making room for these projects in the queue will help increase efficiencies and lower costs to benefit SRP and its customers.

Sincerely,

/s/ Melissa Alfano
Director of Energy Markets and Counsel
Solar Energy Industries Association
(703) 589-5446
malfano@seia.org

/s/ Autumn T. Johnson
Executive Director
Arizona Solar Energy Industries Association
(520) 240-4757
autumn@ariseia.org
Comments of the Solar Energy Industries Association and the Arizona Solar Energy Industries Association on Salt River Project’s Proposed Interconnection Reforms

July 28, 2023
Comments on Salt River Project’s Proposed Interconnection Reforms
Melissa Alfano, Solar Energy Industries Association, Director of Energy Markets & Counsel
Autumn Johnson, Arizona Solar Energy Industries Association, Executive Director

The Solar Energy Industries Association (SEIA) and the Arizona Solar Energy Industries Association (AriSEIA) appreciate the opportunity to submit comments to the Salt River Project (SRP) on its proposed interconnection reforms to address the large number of interconnection requests in the queue. We understand the need to reduce the number of projects in the queue to allow for efficient interconnection request processing. We appreciate that SRP proposes to incorporate concepts similar to those proposed in the Federal Energy Regulatory Commission’s (FERC) Notice of Proposed Rulemaking (NOPR) in Docket No. RM22-14. Many of the concepts in that NOPR, as well as its predecessors, Order Nos. 2003 and 845, will help promote a transparent and efficient interconnection process. However, the proposed rule is not without flaws. As explained further below, the Commercial Readiness requirement in the proposed rule will impose unduly burdensome requirements on independent power producers, which will ultimately harm the end-use consumers through increases in prices. When establishing a Commercial Readiness requirement, SRP must ensure a pathway for independent power producers to move forward in the queue. We urge SRP to ensure that its reforms are equitable and consistent with foundational open access principles.

Study Deposits
SRP proposes to require Interconnection Customers to submit with their applications a refundable study deposit in the amount of $75,000 plus $1,000 per MW of requested Generating Facility Capacity, not to exceed $250,000. Recently, Arizona Public Service Corporation (APS), conducted an analysis of its average interconnection study costs. APS found that the cost for both the System Impact Study and Facilities Study combined is typically less than $100,000. Because of this, APS has recently proposed to lower its study deposit to $100,000 for all Large Generators, regardless of size.\(^1\) We request that SRP undertake a similar analysis to make sure the study deposit amounts reflect the true cost of conducting the study.

Commercial Readiness
SRP proposes to implement a Commercial Readiness requirement similar to the requirement proposed in the FERC Interconnection NOPR. In order to enter the queue, an interconnection customer must provide proof of commercial readiness in the form of an executed term sheet, an executed contract for the sale of generating facility, reasonable evidence that the generating facility has been selected in a resource plan, or a site-specific purchase order for the generating equipment.

Commercial readiness requirements that require an Interconnection Customer to make significant project decisions without knowing the full costs of interconnecting the generating facility are unduly burdensome. In order to price a contract associated with a resource, whether it is for the

sale of the resource or a Power Purchase Agreement (PPA), an independent power producer must know, or at least have reasonable certainty as to what its final costs will be. This information is only knowable once the developer receive the results of the system impact study. This holds true for submissions to a resource solicitation. These requirements are not difficult to demonstrate: They are nearly impossible to demonstrate.

Similarly, requiring purchase orders before knowing the full scope of what equipment must be purchased for the entire project would result in wasteful and inefficient buying, needlessly raising the costs of a project. Late-stage development activities such as finalizing procurement and construction schedules are highly reliant on the results of the interconnection studies. Developers cannot reasonably meet this requirement without access to the final Interconnection Facilities Study report, which identifies the scope, cost, and schedule of construction of the Interconnection Customer Interconnection Facilities. While developers can create a procurement plan, requiring purchase orders before executing an LGIA adds unreasonable risks and can sometimes not even be completed for items like modules so far in advance.

To provide a path forward in the interconnection queue for independent power producers, we recommend that SRP allow Interconnection Customers to enter the queue by providing evidence of a Master Supply Agreement or Master Purchase Agreement that would obligate the Interconnection Customer to purchase project parts in the future but does not require the purchase of specific parts. Additionally, we request that SRP also provide an option for interconnection customers to provide a reasonable deposit in lieu of a demonstration of commercial readiness. Such a deposit is critical to the interconnection process, so much so that recently FERC rejected Public Service Company of Colorado’s proposal to remove its deposit in lieu option, finding that PSCo’s proposal to require interconnection customers to either meet the requirements under the proposed generation deployment option or one of PSCo’s three existing, unchanged, commercial readiness demonstration options alone is likely too stringent for independent power producers to meet.3

Site Control Requirements
While SRP is proposing modifications to its Site Control requirements, SRP’s current tariff language does not account for how to demonstrate site control when a facility will be built on public land. It is not clear that the revised tariff language will do so either. Siting on publicly owned land brings its own challenges and timelines. Given the large amount of publicly owned land in the state of Arizona, these challenges are unavoidable for any developer. It is important that SRP’s tariff provide clear guidance on this issue. To that end, we urge SRP to accept a valid application to acquire the control of state or federal lands to be a sufficient showing of site

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2 See Joint Fed.-State Task Force on Elec. Transmission, Technical Conference, Docket No. AD21-15-000, Tr. 74:9-21 (Andrew French) (“an essential element of being able to sell a product is to know what your inputs are so you can market it”).

3 Public Service Company of Colorado, 183 FERC ¶ 61,166, P 65 (2023).
control. Specifically, we recommend that SRP add the following language to its definition of Site Control:

For purposes of lands managed by a governmental entity (such as BLM), a Preliminary Plan of Development or equivalent government-issued documentation, shall be sufficient for demonstrating Site Control as to such government-managed land.  

For the Interconnection Customers that need to provide a non-refundable deposit in lieu of site control due to regulatory limitations, we request that SRP clarify what it considers to be “regulatory limitations.”

Additionally, we request that SRP clarify that its definition of Site Control reflects the generation site only, and not any generation tie-lines or other transmission provider interconnection facilities.

**Transition Study Process**

In order to enter the Transitional Cluster Study, SRP proposes to require Interconnection Customers to make a demonstration of commercial readiness in the form of an executed term sheet, an executed contract for the sale of the generating facility, reasonable evidence that the generating facility has been selected in a resource plan or a site-specific purchase order for the generating equipment. We reiterate that the Commercial Readiness demonstrations that require an Interconnection Customer to price a PPA or resource solicitation bid without reasonable cost certainty imposes nearly impossible requirements on Interconnection Customers, especially independent power producers.

We request that SRP clarify that its projects on included in the Resource Solicitation Short List Selection, which is expected by October 1, 2023, may be included in the Transitional Cluster Study.

Additionally, we request that SRP clarify some of the terminology used in the Transitional Study Process requirements. When an Interconnection Customer provides and “executed term sheet,” who does SRP expect the counterparty in that arrangement to be? Can SRP also clarify how the term “executed term sheet” is different from the term “executed contract” in the second bullet?

**Withdrawal Penalties**

SRP proposes withdrawal penalties coincide with the commercial readiness milestone payments. If an interconnection customer withdraws after Phase 1 studies, 50% of the M1 payment is non-refundable. If an interconnection customer withdraws after Phase 2 studies, the M2 payment, or 100% of all network upgrade and interconnection costs, is non-refundable.

---

4 See e.g. PacifiCorp Tariff, Definition of Site Control.
We do not support SRP’s proposal to assess withdrawal penalties based on network upgrade costs. Instead, we believe that the withdrawal penalties should be based on a multiple of known costs, such as incurred study costs. For example, SRP should consider PacifiCorp’s withdrawal penalty structure that is based on actual study costs. As proposed, network upgrade costs are unknown to the interconnection customer, creating uncertainty and larger risks for interconnection customers. Understanding that some multiple of incurred study costs are at risk will allow interconnection customers to have a better estimate of their risk, and thus carefully select to enter the queue.

**Interplay with interconnection NOPR**

On July 27, 2023, FERC voted to approve its Final Rule on Interconnection Reforms.\(^6\) Though SRP is not a FERC-jurisdictional entity, and therefore not subject to the Final Rule, we request that SRP incorporate the elements of the Final Rule into its tariff. These changes will help streamline interconnection procedures, creating a faster and fairer interconnection process. There are significant benefits under this Final Rule for SRP, and SEIA and AriSEIA encourage SRP to undertake a meaningful review of the rule to ensure that SRP members can share in those benefits.

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\(^6\) As of the time of this submission, the Final Rule has not been posted.
Comments of the Solar Energy Industries Association on Salt River Project’s Proposed Interconnection Reforms

September 13, 2023
GIP/GIA Comment Form
The following form is provided for entities to comment on SRP’s proposed GIP and GIA Revisions.

Please change the file name by including your name in the file before e-mailing. For example:
Template: “GIP GIA Comment Form_your name here.docx” becomes: “GIP GIA Comment Form_SRP.docx” if SRP were commenting to its own posting. The filename is included in the footer and updates with the filename; you can force the footer to update with your filename change double clicking the footer field to select then right click and select “update field”.

| Commenter Name: | Melissa Alfano, Solar Energy Industries Association |
| Commenter Phone #: | (703) 589-5446 |
| Commenter e-mail: | malfano@seia.org |

<table>
<thead>
<tr>
<th>Document (GIP/GIA)</th>
<th>Page/Section Reference</th>
<th>Existing language</th>
<th>Reviewer Commentary / Proposed text</th>
</tr>
</thead>
<tbody>
<tr>
<td>GIP</td>
<td>Definitions (page 6)</td>
<td>Commercial Readiness Demonstration shall have the meaning set forth in Section 3.3.1(vii) of this Standard Generator Interconnection Procedures.</td>
<td>SEIA requests that SRP remove the requirement for interconnection customers to demonstrate commercial readiness. SEIA appreciates that many of SRP’s proposed reforms reflect the Federal Energy Regulatory Commission’s (FERC) Notice of Proposed Rulemaking (NOPR) in Docket No. RM22-14. The NOPR contained reforms that will promote a transparent and efficient interconnection process. However, there were also proposals in the NOPR that the Commission ultimately found to be unnecessary or, worse, to impose needless costs. SEIA requests that SRP revise these provisions so that they are consistent with the requirements of Order No. 2023. SEIA recognizes that SRP is not a FERC-jurisdictional entity, and therefore not subject to Order No. 2023. However, given FERC’s specific findings on these issues, SEIA believes that aligning the proposed reforms here with Order No. 2023 will promote an</td>
</tr>
<tr>
<td>GIP</td>
<td>3.1 (page 18)</td>
<td>Interconnection Customer must satisfy Readiness Milestone M0 as required in Section 3.3.1(iv) for each Interconnection Request even when more than one Interconnection Request is submitted for a single site.</td>
<td></td>
</tr>
<tr>
<td>GIP</td>
<td>3.3.1(vii) (Page 22-23)</td>
<td>vii. One of the following Commercial Readiness Demonstration options,</td>
<td></td>
</tr>
</tbody>
</table>

Comment_Form (SEIA)
accounting for the Requested Maximum Capacity Interconnection Service in the Interconnection Request:

Option 1: Executed term sheet (or comparable evidence as determined by Transmission Provider) related to a contract for sale of (1) the constructed Generating Facility to a Load-Serving Entity or to a commercial, industrial, or other large end-use customer, (2) the Generating Facility’s energy or capacity where the term of sale is not less than five (5) years, or (3) the Generating Facility’s Ancillary Services where the term of sale is not less than five (5) years; or Option 2: Executed contract binding upon the parties for the sale of (1) the constructed Generating Facility to a Load-Serving Entity or to a commercial, industrial, or other large end-use customer, (2) the Generating

efficient and cost-effective interconnection process that will benefit SRP and its members.

As explained in our earlier comments, the non-financial commercial readiness demonstrations require an Interconnection Customer to make significant project decisions without knowing the full costs of interconnecting the project.1 FERC recognized that these demonstrations “may not necessarily serve as appropriate indicators of a proposed generating facility’s commercial viability”2 and could even lead to economically inefficient contracting and procurement behavior.3

In response to previous stakeholder comments, SRP now proposes to include the option to provide a payment in lieu of commercial readiness. SEIA appreciates that SRP adopted this mechanism. In order to provide cost transparency, SEIA recommends that the deposit should be the only requirement for demonstrating commercial readiness, both during the reformed interconnection process and for the transition, and that the deposit amount be tied to the size of the generating facility. Because certain non-financial commercial readiness demonstrations can create incentives economically inefficient contracting and procurement behavior, requiring these demonstrations could obscure true interconnection costs, which would ultimately deprive SRP members of the benefits of low-cost generation.

---

1 See Comments of SEIA and AriSEIA (July 28, 2023).
2 Order No. 2023 at P 695.
3 Order No. 2023 at P 698 (“As commenters note, this could lead to purchasers having to start the procurement process over or choose to over-procure as insurance against potential contract termination, to the detriment of reliability and cost.”).
Facility’s energy where the term of sale is not less than five (5) years, or (3) the Generating Facility’s Ancillary Services if the Generating Facility is an Electric Storage Resource where the term of sale is not less than five (5) years; or Option 3: Reasonable evidence (i.e., bid security held by a LoadServing Entity) that the Generating Facility has been selected in a resource plan or resource solicitation process by or for a LoadServing Entity, is being developed by a Load-Serving Entity, or is being developed for purposes of a sale to a commercial, industrial, or other large end-use customer; or Option 4: Submission of a site-specific purchase order for generating equipment specific to the Queue Position, or a statement signed by an officer or authorized agent of the Interconnection Customer attesting that the Generating Facility included is to be supplied with turbines (or
equivalent major electric generating components) with a manufacturer’s blanket purchase agreement to which Interconnection Customer is a party. This blanket purchase agreement shall be provided to Transmission Provider.

<table>
<thead>
<tr>
<th>GIP</th>
<th>Definitions (page 7)</th>
<th>Deposit in Lieu of Commercial Readiness shall mean an irrevocable letter of credit for seven-million-five-hundred-thousand dollars ($7,500,000).</th>
<th>SRP’s proposal to set the deposit requirement at $7,500,000 further obscures costs. By requiring a flat deposit amount, all interconnection customers would pay the same queue entry fee, regardless of the actual costs of the projects. Smaller projects that would have relatively low interconnection costs would face comparatively large costs of capital to larger projects that have higher interconnection costs. This flat rate would incentivize projects with lower interconnection costs to exit the queue, which is the exact situation SRP should be discouraging. In Order No. 2023, FERC tied the commercial readiness deposit required to enter the queue to the size of the generating facility, finding that the size of the facility generally corresponds to the cost of network upgrades, and subsequently the likelihood of withdrawal. Additionally, SEIA requests that SRP reduce its readiness milestone payments in M1 and M2 to 5% and 10% respectively to match the requirements of Order No. 2023.</th>
</tr>
</thead>
<tbody>
<tr>
<td>GIP</td>
<td>3.3.1(vii) (Page 22-23)</td>
<td>If Interconnection Customer is unable to satisfy one of the four preceding Commercial Readiness Demonstration options, Interconnection Customer must provide a Deposit in Lieu of Commercial Readiness. If Interconnection Customer obtains Commercial Readiness after making the Deposit in Lieu of Commercial Readiness, the Deposit will be released less the Security Deposit and any Readiness Milestone payments.</td>
<td></td>
</tr>
</tbody>
</table>

4 Order No. 2023 at PP 692-693.
| GIP | 3.3.1(v) (page 21) | Demonstration of Site Control for the Generating Facility as specified in SRP's Business Practice posted on OASIS. | One final proposal that SRP should revise to align with Order No. 2023 is the requirement for 100% site control. In Order No. 2023, FERC modified its proposal to require 100% site control for the generating facility to 90% site control. The reduction in site control recognized that sometimes interconnection customers sometimes face development changes that make obtaining 100% site control difficult at the beginning of the interconnection process. A developer may have trouble acquiring leases for “obtaining particularly challenging land rights,” putting its already acquired leases at risk of expiring.\(^5\) Allowing 90% site control allows for these projects to move forward. Further, a 90% site control requirement provides interconnection customers flexibility to address the results of interconnection studies or other regulatory processes.\(^6\) A 90% site control requirement provides flexibility for interconnection customers while also providing a high enough barrier to entry to encourage only the most viable projects to move forward in the interconnection process. |
| GIP | 3.3.4 | If an Interconnection Request fails to meet the requirements set forth in Section 3.3.1, Transmission Provider shall notify Interconnection Customer within tenfive (105) Business Days of receipt of the initial Interconnection Request | SEIA requests that SRP maintain a 10-day cure period for interconnection requests. |
| GIP | 5.2.1 | If, as of the Effective Date of GIP, Interconnection Customer has executed a large generator | SEIA requests that projects that have executed LGIAs not be subject to the transition. Reforms affecting interconnection requests in the later stages of the interconnection process create special circumstances that require careful considerations, because |

\(^5\) Order No. 2023 at P 597.
\(^6\) Order No. 2023 at P 597.
interconnection agreement or a small generator interconnection agreement, then Interconnection Customer may join the Transition Process if Interconnection Customer: (i) provides an additional deposit equal to $1,000,000 or one hundred percent (100%) of the costs identified for Interconnection Customer’s Network Upgrades in Interconnection Customer’s most recent Interconnection System Impact Study report, whichever is greater; and (ii) executes a Transitional System Impact Study Agreement.

such reforms can significantly disrupt the activities of customers who may have relied upon the existing process.\(^7\) Restudying projects that have already gone through the interconnection queue could lead to increased interconnection costs for these projects, and potentially post-LGIA withdrawals, a problem that could lead to even further queue withdrawals. Subjecting these projects to restudy would do the exact thing SRP is seeking to avoid through this interconnection process: It would introduce instability and uncertainty into the interconnection process.

Monthly Financial Report
September 2023

Board Meeting
Jeffrey A. Wright | November 6, 2023
General Fund Balance

(Millions)

- Actual
- FYE Minimum GF Balance Objective

11/06/2023 Board Meeting, J. A. Wright
YTD Combined Net Revenue

September YTD Variance is $129.9

(Non-GAAP, Unaudited)
System Sales
Customer Accounts

1,136,277
1,120,593
1,090,000
1,100,000
1,110,000
1,120,000
1,130,000
1,140,000
1,150,000
1,160,000

May Jun Jul Aug Sep Oct Nov Dec Jan Feb Mar Apr

1,143,591
1,143,591
1,136,277
1,120,593

FY24 Budget
FY24 Actual
FY23 Actual

(Non-GAAP, Unaudited)
### Financial Summary – September 2023

<table>
<thead>
<tr>
<th></th>
<th>Actual</th>
<th>Budget</th>
<th>Variance</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Operating Revenues</strong></td>
<td>$391,378</td>
<td>$371,396</td>
<td>$19,982</td>
</tr>
<tr>
<td><strong>Operating Expenses</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fuel</td>
<td>162,463</td>
<td>176,355</td>
<td>(13,892)</td>
</tr>
<tr>
<td>O&amp;M</td>
<td>98,914</td>
<td>104,782</td>
<td>(5,868)</td>
</tr>
<tr>
<td>Depr &amp; Tax</td>
<td>64,382</td>
<td>64,552</td>
<td>(170)</td>
</tr>
<tr>
<td><strong>Total Operating Expenses</strong></td>
<td>325,759</td>
<td>345,689</td>
<td>(19,930)</td>
</tr>
<tr>
<td><strong>Net Financing Costs</strong></td>
<td>12,574</td>
<td>13,590</td>
<td>(1,016)</td>
</tr>
<tr>
<td><strong>Other, Net</strong></td>
<td>6,985</td>
<td>7,474</td>
<td>(489)</td>
</tr>
<tr>
<td><strong>Combined Net Revenues</strong></td>
<td>$60,030</td>
<td>$19,591</td>
<td>$40,439</td>
</tr>
</tbody>
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## Key Financial Indicators - YTD September 2023

<table>
<thead>
<tr>
<th></th>
<th>Actual</th>
<th>Budget</th>
<th>Variance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Capital Expenditures</td>
<td>$ 514,131</td>
<td>$ 544,192</td>
<td>$(30,061)</td>
</tr>
<tr>
<td>Funds Available</td>
<td>$ 668,164</td>
<td>$ 528,499</td>
<td>$ 139,665</td>
</tr>
<tr>
<td>Debt Service Coverage</td>
<td>6.37</td>
<td>5.25</td>
<td>1.12</td>
</tr>
</tbody>
</table>
CNR without Fair Value Adjustments - YTD September 2023

CNR with Fair Value Adjustments - YTD September 2023
Combined Operating Revenues - YTD September 2023

Combined Expenses - YTD September 2023
Funds Available - YTD September 2023

Debt Service Coverage - YTD September 2023

Note: Debt Service Coverage Ratio on Total Debt

(Non-GAAP, Unaudited)
Debt Ratio - YTD September 2023

Note: Prior Years and Budget are Fiscal Year-End Ratios

Water Storage Levels

11/06/2023 Board Meeting, J.A. Wright
Agenda

01  SRP’s Anti-Harassment Policy
02  Federal Employment Laws
03  Unlawful Harassment Defined
04  Sexual Harassment Defined
05  Harassment Prevention Training

11/6/2023 District and Association Board Meeting, P. Bruner
SRP’s Anti-Harassment Policy

SRP is committed to maintaining an environment in which everyone is treated with dignity and respect and free from harassment of any kind.

Policy prohibits unwelcome sexual advances, requests for sexual favors, verbal and non-verbal behavior or contact of a sexual nature.

Everyone in the workplace must be dedicated to preventing workplace harassment. If someone is a witness of or believed to be a victim of harassment, they are expected to report it.

SRP is committed to promptly and effectively addressing all potential violations of the anti-harassment policy.

Confidentiality will be maintained to the extent possible.

SRP prohibits intimidation of or retaliation against any individual because they objected to behavior prohibited by this policy, reported a concern, or assisted with an investigation under this policy.
Federal Employment Laws

- Prohibits harassment, discrimination or retaliation in any aspect(s) of employment based on being a member of a protected class
  - Race, Color, National Origin, Sex (include gender, pregnancy, sexual orientation, and gender identity), Religion, Disability

Title VII of the Civil Rights Act of 1964

- Prohibits discrimination, harassment or retaliation based on a disability or perceived disability
- Requires employers to engage in the interactive process and provide reasonable accommodations unless there is an undue hardship

Americans with Disabilities Act (ADA)

- Prohibits discrimination, harassment, or retaliation against applicants and employees aged 40 or older

Age Discrimination in Employment Act (ADEA)
What is Harassment?

A form of employment discrimination that violates Title VII of the Civil Rights Act of 1964, the Age Discrimination in Employment Act of 1967 (ADEA), and the American with Disabilities Act of 1990 (ADA) and similar state employment laws.

- Unwelcome conduct toward an individual or a group of individuals based on being a member of a protected class
- SRP’s policy further prohibits behavior of any kind that causes an individual to feel intimidated, threatened, bullied, humiliated, offended, denigrated or distressed.

Becomes unlawful when:

- The offensive conduct is made explicitly or implicitly a condition of the individual’s hiring or continued employment.
- The conduct is severe or pervasive enough to create a work environment that a reasonable person would consider intimidating, hostile or abusive.
Sexual Harassment

• Unwelcome sexual advances

• Requests for sexual favors

• Verbal or non-verbal behavior, or physical conduct of a sexual nature that affects an individual’s employment, unreasonably interferes with their work performance, or creates an environment that is intimidating, hostile or offensive
  • Inappropriate conduct may involve individuals of the same or opposite sex and is prohibited regardless of sex, gender identity or whether the individual submits to the act or rejects it.
  • Harassment cannot be excused or justified by claiming that it was unintentional or humorous.
Harassment Prevention Training at SRP

- Required for all employees every 2 years
- Training content differs for leaders and individual contributors
- Computer Based Training (CBT) delivery method
thank you!
Current Events

Jim Pratt
Financial Update

Aidan McSheffrey
Combined Net Revenues

- September YTD Variance is $129.9

- Actual: $480.4
- Budget: $350.5

11/06/2023 Board Meeting, A. McSheffrey
## Financial Summary
### September 2023

<table>
<thead>
<tr>
<th>$ Millions</th>
<th>Actual</th>
<th>Budget</th>
<th>Variance</th>
<th>% of Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td>Combined Revenues</td>
<td>$398.3</td>
<td>$378.9</td>
<td>$19.4</td>
<td>105%</td>
</tr>
<tr>
<td>Combined Expenses</td>
<td>$338.3</td>
<td>$359.3</td>
<td>($21.0)</td>
<td>94%</td>
</tr>
<tr>
<td>Comb Net Revs (Loss)</td>
<td>$60.0</td>
<td>$19.6</td>
<td>$40.4</td>
<td>306%</td>
</tr>
<tr>
<td>Funds Available</td>
<td>$96.1</td>
<td>$55.5</td>
<td>$40.6</td>
<td>173%</td>
</tr>
<tr>
<td>Capital Expenditures</td>
<td>$93.6</td>
<td>$99.1</td>
<td>($5.5)</td>
<td>94%</td>
</tr>
</tbody>
</table>
Fuel and Purchased Power Adjustment Mechanism
Fiscal YTD Through September 2023
FY24 Preliminary Retail Energy Sales (GWh)

Sales estimate for October 2023 is 2,546 GWh, or 4.7% above budget. Year-end variance is projected to be 2.3% above budget.
October Wholesale Summary

Primary Drivers:
- Above budget wholesale volume
  - Weather driven demand across Western region
  - Cooler local temps (last week of October) resulted in excess generation available for resale
Human Resources Update

Geri Mingura
Water Stewardship

Leslie Meyers
October 2023

- Termination of one of Fondomonte’s four state trust land leases in Butler Valley.
- Notice that three leases expiring in February 2024 would not be renewed.
Corporate Planning & Strategy

Bobby Olsen
Update on Grand Canyon Visibility

- **Data Review: Air Monitors closest to Navajo Generating Station**
  - Glen Canyon Monitor
  - Grand Canyon National Park Monitor
- **Primary plant pollutants:**
  - Sulfur Dioxide (SO2)
  - Particulate Matter (PM10 and PM2.5)
  - Nitrogen Oxides (NOx)
Glen Canyon Monitor

Annual Mean PM2.5 Concentration

Annual Mean NO2 Concentration

1-Hour SO2 Concentration

8-Hour Ozone Concentration

Navajo ceased generation November 18, 2019
PM10 and PM2.5 Arithmetic Mean Concentrations

- November 18, 2019

Concentration (Micrograms/cubic meter [LC])


- Aluminum PM2.5 LC
- Ammonium Nitrate PM2.5 LC
- Ammonium Sulfate PM2.5 LC
- Sulfate PM2.5 LC
- Sulfur PM2.5 LC
- Total Nitrate PM2.5 LC
2035 Sustainability Goals

• 2035 Sustainability Goal Update Process:
  • Two Advisory Group meetings conducted
  • Strategic Planning Committee update on 11/13

• Valley Metro Clean Air Campaign Awards:
  • SRP awarded Clean Air Campaign Award in the category of Event Marketing & Creativity
  • SRP was a finalist for:
    • Marketing & Events (Electronic and Print Media Category)
    • Outstanding Transportation Coordinator (500+ Employees)
Sonoran Energy Center – Solar Field
Brittlebush – Solar Field
Sierra Estrella – Battery
thank you!
Operating Environment
September 2023

<table>
<thead>
<tr>
<th></th>
<th>Actual</th>
<th>Budget</th>
<th>Variance</th>
<th>% of Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td>Elec Customers – Sep 2023</td>
<td>1,143,591</td>
<td>1,136,277</td>
<td>7,314</td>
<td>101%</td>
</tr>
<tr>
<td>Elec Customers - April 2023</td>
<td>1,135,989</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Elec Customers – Sep 2022</td>
<td>1,120,593</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>System Sales GWH</td>
<td>3,080.9</td>
<td>2,960.5</td>
<td>120.4</td>
<td>104%</td>
</tr>
<tr>
<td>Wholesale Sales GWH</td>
<td>954.7</td>
<td>548.7</td>
<td>406.0</td>
<td>174%</td>
</tr>
<tr>
<td>Total A.F. Water Delivered</td>
<td>80,618</td>
<td>67,000</td>
<td>13,618</td>
<td>120%</td>
</tr>
</tbody>
</table>

(Non-GAAP, Unaudited)

Financial Summary
September 2023

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<tr>
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<th>Budget</th>
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(Non-GAAP, Unaudited)
Debt Ratio
September 2023

(Non-GAAP, Unaudited)

Debt Service Coverage Ratio
September 2023

(Non-GAAP, Unaudited)
Water Supply and Weather Report

November Board Meeting

November 6, 2023

Stephen Flora
October 2023 Rainfall

Watershed Precipitation: October 2023

Verde: 0.09 (10% of Normal)
Salt: 0.16 (17% of Normal)
Combined: 0.13 (14% of Normal)
SRP Reservoir System Status

November 1, 2023

Current Storage:

<table>
<thead>
<tr>
<th>Reservoir</th>
<th>Storage (AF)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Salt</td>
<td>1,714,647</td>
</tr>
<tr>
<td>Verde</td>
<td>168,947</td>
</tr>
<tr>
<td>Total</td>
<td>1,883,594</td>
</tr>
</tbody>
</table>

*River Swap to Verde for deliveries will occur the week of November 13th*
Central Arizona Reservoir Status

November 1, 2023

Total SRP Storage: 1,883,594 af (82%)
Total Central Arizona Storage: 2,814,764 af (70%)
October 2023

*Inflows have remained low in October (2nd lowest) following dry monsoon season*
Colorado River System Reservoir Status

Total System Contents – 43% or 25.008 MAF
(Total system contents last year 32% or 19.383 MAF)

November 1, 2023

Lake Mead
34%
8.850 MAF
1065.55 ft

Lake Powell
37%
8.729 MAF
3572.77 ft

Lake Mead
34%
8.850 MAF
1065.55 ft
Dec. 2023 – Feb. 2024 Seasonal Outlook

Seasonal Precipitation Outlook

Valid: Dec-Jan-Feb 2023-24
Issued: October 19, 2023
thank you!