

SALT RIVER PROJECT AGRICULTURAL IMPROVEMENT AND POWER DISTRICT COUNCIL MEETING NOTICE AND AGENDA

DISTRICT COUNCIL

Tuesday, August 6, 2024, 9:30 AM

SRP Administration Building
1500 N. Mill Avenue, Tempe, AZ 85288

Call to Order
Invocation
Pledge of Allegiance
Roll Call
Safety Minute

1. Request for Approval of the Minutes for the Meeting of June 4, 2024
..... CHAIRMAN ROCKY SHELTON
2. Council Committee Chairs and Liaisons Reports
..... CHAIRMAN ROCKY SHELTON
3. SRP Resource Plan Implementation BOBBY OLSEN

Informational presentation regarding the Fiscal Year 2024 resource implementation plan and current status of resource development activity to meet customer load requirements and SRP's corporate goals.
4. Update on Upcoming Proposed Revenue Bond Sale JON HUBBARD

Informational presentation to provide an update regarding the upcoming proposed revenue bond sale.
5. Report on Current Events by the General Manager and Chief Executive Officer and Designees JIM PRATT
 - A. Power System CHRIS CAMPBELL
 - B. Finance and Information Services BRIAN KOCH
 - C. Water Resources LESLIE MEYERS
6. Reservoir Report / Weather Report STEPHEN FLORA
7. President's Report PRESIDENT DAVID ROUSSEAU
8. Future Agenda Topics CHAIRMAN ROCKY SHELTON

The Council 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 Council on any of the matters listed on the agenda.

The Council 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.



**THE NEXT COUNCIL MEETING IS SCHEDULED FOR
TUESDAY, SEPTEMBER 10, 2024**

07/30/2024

SAFETY MINUTE: HEAT STRESS PREVENTION SRP COUNCIL

**SARA MCCOY
DIRECTOR, RISK MANAGEMENT
AUGUST 6, 2024**

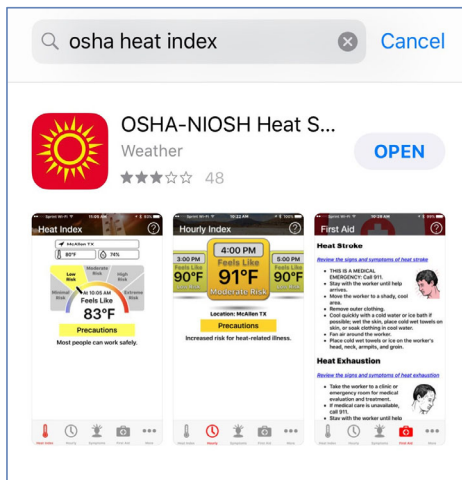


Delivering water and power™

SAFETY MINUTE: HEAT STRESS PREVENTION

Awareness

- Know the weather
- Know the signs/effects on people
- Know the working conditions



OSHA Heat Stress App

Mitigate the Risk

- Communication, education
- Plan work, adjust schedules
- Stay hydrated
- Wear cool clothing
- Provide shaded work areas
- Monitor yourself and others
- Know response procedures

HEAT STRESS SYMPTOMS AND FIRST AID

Heat Cramps	Heat Exhaustion	Heat Stroke
Muscle cramps or pain	Rapid heartbeat	High body temp
Spasms in abdomen	Heavy sweating	Confusion
Spasms in arms or legs	Dizziness, Irritability	Loss of coordination
	Extreme weakness or fatigue	Hot, dry skin or profuse sweating
	Nausea, vomiting	Throbbing headache
	Fast, shallow breathing	Seizures, coma
	Slightly elevated body temp	
FIRST AID	FIRST AID	FIRST AID
<ul style="list-style-type: none"> • Stop work • Rest in cool area • Drink water or juice • Medical attention if more than 1 hour 	<ul style="list-style-type: none"> • Stop work • Rest in cool area • Drink water or juice • Take a cool shower/bath • Seek medical attention 	<ul style="list-style-type: none"> • Get immediate medical attention • Move to cool, shaded area • Remove excess clothing • Apply cool water to body



MINUTES OF COUNCIL
SALT RIVER PROJECT AGRICULTURAL IMPROVEMENT AND POWER
DISTRICT

DRAFT

June 4, 2024

A meeting of the Council of the Salt River Project Agricultural Improvement and Power District (the District) convened at 9:30 a.m. on Tuesday, June 4, 2024, 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.

Council Chairman J.R. Shelton called the meeting to order, and Corporate Secretary J.M. Felty entered into the minutes the order for the meeting, as follows:

Tempe, Arizona
May 28, 2024

NOTICE OF COUNCIL MEETING

A meeting of the Council of the Salt River Project Agricultural Improvement and Power District (the District) is hereby called to convene at 9:30 a.m. on Tuesday, June 4, 2024, 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 28th day of May 2024.

/s/ John R. Shelton
Council Chairman

Council Member D.B. Lamoreaux offered the invocation. Corporate Secretary J.M. Felty led the Council in the Pledge of Allegiance.

Council Members present at roll call were Council Chairman J.R. Shelton; and M.B. Brooks, M.L. Farmer, A.A. Freeman, E.L. Gorseger, A.S. Hatley, A.M. Herrera, R.S. Kolb, D.B. Lamoreaux, C.M. Leatherwood, J.L. Miller, M.R. Mulligan, T.S. Naylor, B.E. Paceley, M.C. Pedersen, I.M. Rakow, M.G. Rakow, C. Resch-Geretti, W.P. Schrader Jr., W.P. Schrader III, W.W. Sheely, R.W. Swier, N.J. Vanderwey, P.A. Van Hofwegen, and M.A. Warren.

Council Members absent at roll call were Council Vice Chairman T.M. Francis; and J.R. Augustine, G.E. Geiger, and J.W. Lines.

Also present were President D. Rousseau; Vice President C.J. Dobson; Council Member M.A. Freeman of the Association; Board Liaison M.J. Herrera; Board Member S.D. Kennedy; Mmes. I.R. Avalos, A.P. Chabrier, L.F. Hobaica, V.P. Kisicki, M.M. Klein, S.C. McCoy, L.A. Meyers, and G.A. Mingura; and Messrs. P.R. Bachman, J.D. Coggins, T. Cooper, A.C. Davis, J.M. Felty, E.T. Hallock, B.J. Koch, K.J. Lee, M.J. O'Connor, B.A. Olsen, J.M. Pratt, and R.R. Taylor.

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 Council of the District meeting at the SRP Administration Building, 1500 North Mill Avenue, Tempe, Arizona, at 9:00 a.m. on Friday, May 31, 2024.

Safety Minute

Using a PowerPoint presentation, Sara C. McCoy, SRP Director of Risk Management, provided a safety minute regarding hand injury 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.

Approval of Minutes

On a motion duly made by Council Member B.E. Paceley, seconded by Council Member R.W. Swier and carried, the Council approved the minutes for the meeting of May 7, 2024, as presented.

Corporate Secretary J.M. Felty polled the Council Members on Council Member B.E. Paceley's motion to approve the minutes for the meeting of May 7, 2024. The vote was recorded as follows:

YES:	Council Chairman J.R. Shelton; and Council Members M.B. Brooks, M.L. Farmer, A.A. Freeman, E.L. Gorseger, A.S. Hatley, A.M. Herrera, R.S. Kolb, D.B. Lamoreaux, C.M. Leatherwood, J.L. Miller, M.R. Mulligan, T.S. Naylor, B.E. Paceley, M.C. Pedersen, I.M. Rakow, M.G. Rakow, C. Resch-Geretti, W.P. Schrader Jr., W.P. Schrader III, W.W. Sheely, R.W. Swier, N.J. Vanderwey, P.A. Van Hofwegen, and M.A. Warren	(25)
NO:	None	(0)
ABSTAINED:	None	(0)
ABSENT:	Council Vice Chairman T.M. Francis; and Council Members J.R. Augustine, G.E. Geiger, and J.W. Lines	(4)

Council Committee Chairs and Liaisons Reports

Council Chairman J.R. Shelton asked for reports from the Council Committee Chairs and Liaisons to the Standing Board Committees. Council Member M.A. Freeman of the Association reported on discussions held at the Water Committee. Council Member M.C. Pedersen reported on discussions held at the Audit Committee. Council Member M.R. Mulligan reported on discussions held at the SRP 2035 Sustainability Advisory Group. Council Member T.S. Naylor reported on discussions held at the Strategic Planning Committee. Council Member B.E. Paceley reported on the upcoming American Public Power Association Conference and the upcoming Work Study Session.

Council Member J.W. Lines entered the meeting.

Economic Outlook

Using a PowerPoint presentation, Paul R. Bachman, SRP Senior Corporate Economist, stated that the purpose of the presentation was to provide information regarding the national and local economic outlook with a focus on the labor market, consumer spending, inflation, business investment/economic development pipeline, and near-term economic forecasts.

Mr. P.R. Bachman provided a snapshot of the national, state, and Greater Phoenix economy. He discussed the Phoenix area's employment gains, increasing unemployment insurance claims, consumer spending, and inflation. Mr. P.R. Bachman detailed SRP's soaring economic development pipeline. He concluded that inflation is moderating, a softening labor market could impact customers' finances and ability to pay bills, and SRP's service territory is poised for significant growth.

Mr. P.R. Bachman responded to questions from the Council.

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.

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 presented a video on Fiscal Year 2024 (FY24) accomplishments.

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.

Messrs. C.R. Janick, R.T. Judd, Z.Z. Thompson, and G.M. Traasdahl entered the meeting during the report.

Status of Power System

Using a PowerPoint presentation, John D. Coggins, SRP Associate General Manager and Chief Power System Executive, provided an update on SRP's power system. He provided operational updates as of May 2024 with a peak customer demand of 6,018 Megawatts (MW) occurring on May 28th.

Mr. J.D. Coggins reviewed SRP's wildfire mitigation efforts. He provided an overview on Public Safety Power Shutoffs and the impacted communities in Calendar Year 2024. Mr. J.D. Coggins concluded with an update on the Coronado split selective catalytic reduction project.

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, Brian J. Koch, SRP Associate General Manager and Chief Financial Executive, reviewed the financial results schedule, including FY24 audit and reporting and FY25 reporting. He reviewed the preliminary retail energy sales for FY25 and provided a summary of wholesale net revenue for May.

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, Vanessa P. Kisicki, SRP Associate General Manager and Chief Customer Executive, provided an update on customer operations. She introduced Zack Z. Thompson, SRP Director of Customer Contact Operations. Mr. Z.Z. Thompson reviewed the 2024 Moratorium plan, including an explanation of why SRP will use a date-based moratorium and how the plan will be socialized.

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 Water Resources

Using a PowerPoint presentation, Leslie A. Meyers, SRP Associate General Manager and Chief Water Resources and Services Executive, provided an overview of the SRP/Central Arizona Project Interconnection Facility Bucket 2 Project. She reviewed Arizona water projections, including water management success and the 1980 Groundwater Management Act. Ms. L.A. Meyers discussed designations of assured water supply, water infrastructure, and augmentation projects. She concluded with comments on future water supplies.

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.

Council Members M.B. Brooks, A.A. Freeman, A.M. Herrera, I.M. Rakow, M.G. Rakow, W.P. Schrader Jr., W.P. Schrader III; President D. Rousseau; Board Liaison M.J. Herrera; Board Member S.D. Kennedy; Mmes. V.P. Kisicki, M.M. Klein, and G.A. Mingura; and Messrs. P.R. Bachman, J.D. Coggins, T. Cooper, and E.T. Hallock left the meeting during the presentation. Mr. S.P. Flora entered the meeting during the presentation.

Reservoir and Weather Report

Using a PowerPoint presentation, Stephen P. Flora, SRP Senior Hydrologist, reviewed the cumulative watershed precipitation outlook for Water Year 2024 and provided data of reservoir inflows as of May 2024 and Winter 2024. He discussed the surface runoff and pumping data for May 2024 and year-to-date.

Mr. S.P. Flora 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 May 30, 2024. He concluded with a review of Monsoon 2024 projections and 2024-2025 outlook.

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.

Messrs. C.R. Janick, R.R. Taylor, Z.Z. Thompson, and G.M. Traasdahl left the meeting during the presentation.

President's Report

There was no report by Vice President C.J. Dobson.

Future Agenda Topics

Council Chairman J.R. Shelton asked the Council if there were any future agenda topics. Council Member M.A. Warren requested an update on water safety and community advocacy.

There being no further business to come before the Council, the meeting was adjourned at 12:33 p.m.

John M. Felty
Corporate Secretary

SRP Resource Plan Implementation

District Council Meeting

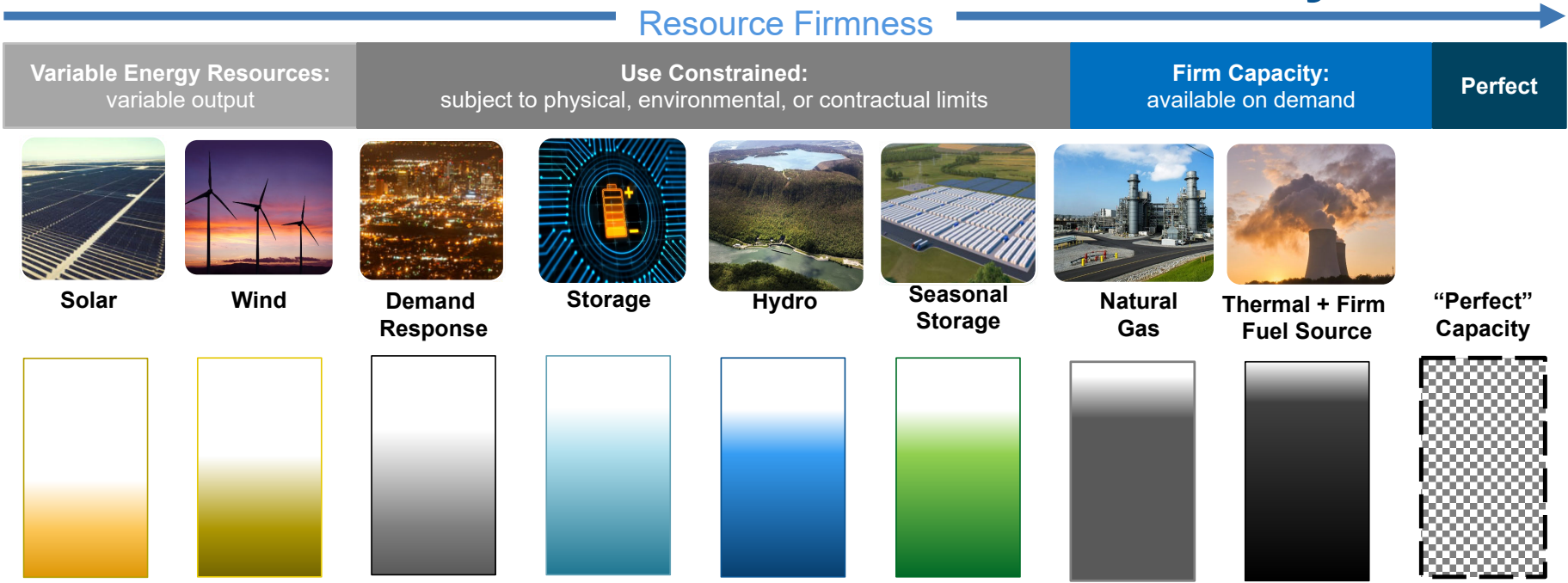
Bobby Olsen | August 6, 2024

Annual Resource Planning Cycle

Resource Plan reviewed and updated every year. Changes driven by:

- Updated customer demand forecast
- Changes in resource economics
- Ensuring SRP has adequate resources to serve load reliably
- SRP's goal to reduce carbon intensity
- Maintaining affordability for customers
- Mitigating operational and infrastructure development risk of the plan

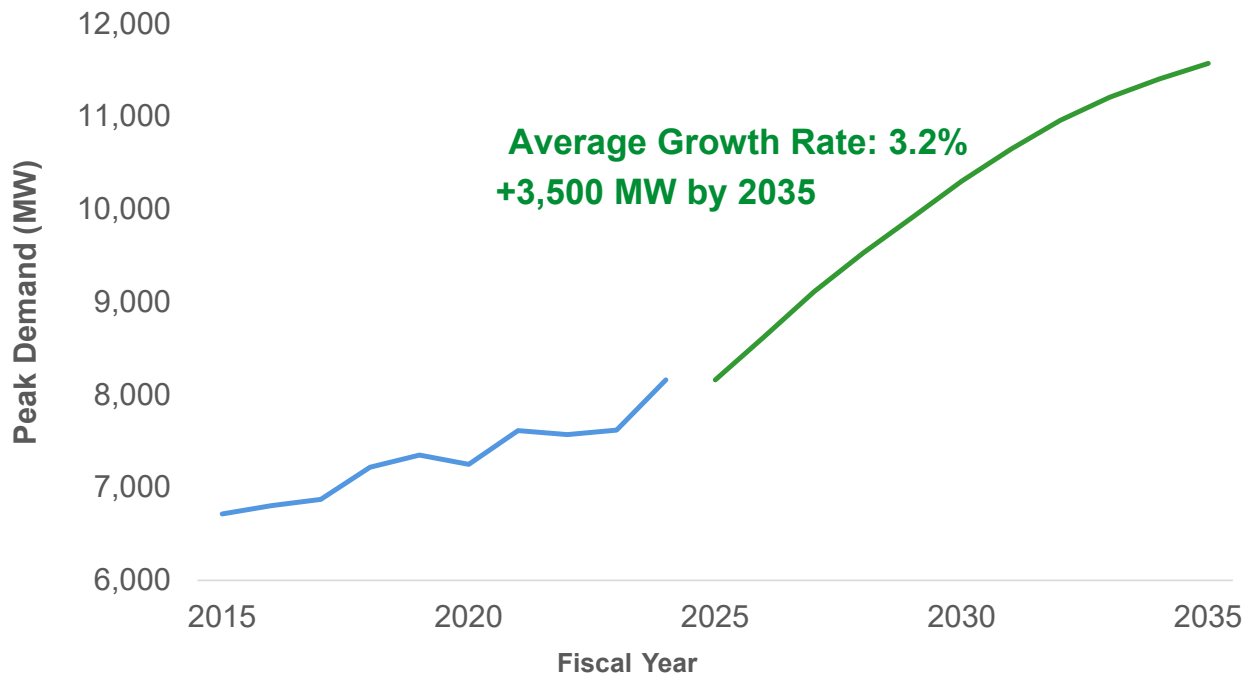
Contribution of Generation Resources to Reliability



Factors Considered in Reliability Value								
Weather-driven Availability	X	X						Modeling Construct Used as Accreditation Benchmark
Limited Hours Available			X	X	X	X		
Forced Outages	X	X		X	X	X	X	
Fuel Security							X	

Key Drivers for Resource Changes

Significant Load Growth



Forecasted growth in annual energy – 4.6% per year through 2035

08/06/2024 District Council Meeting, B. Olsen

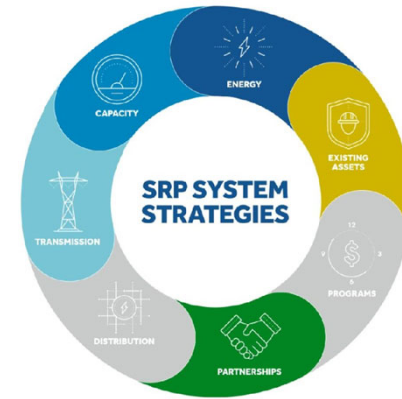
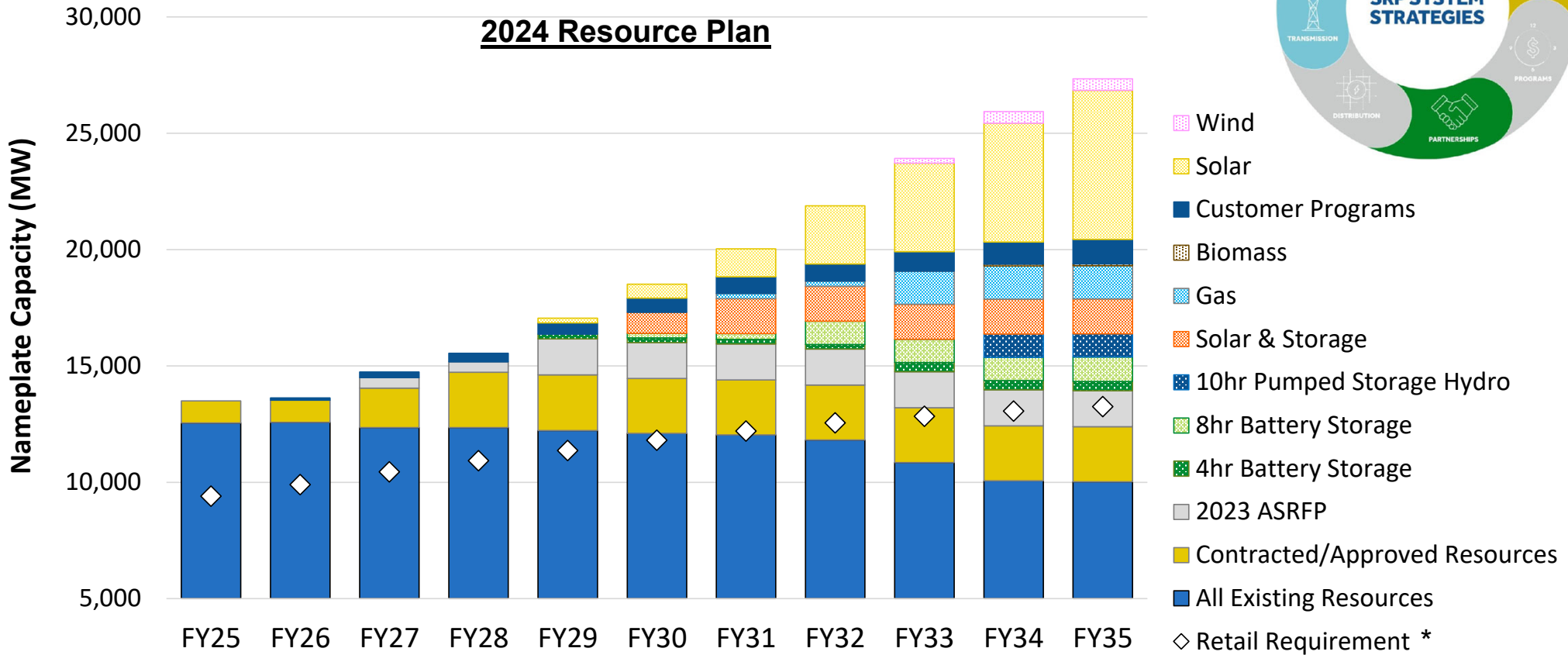
More Ambitious Carbon Reduction Goals

By 2035: Reduce the amount of CO₂ emitted by generation (per MWh) by 82% from 2005 levels by 2035 (previous goal was 65% reduction)

By 2050: Net zero carbon emissions (previous goal was 90% reduction from 2005 levels)

Planned Resource Additions

2024 Resource Plan

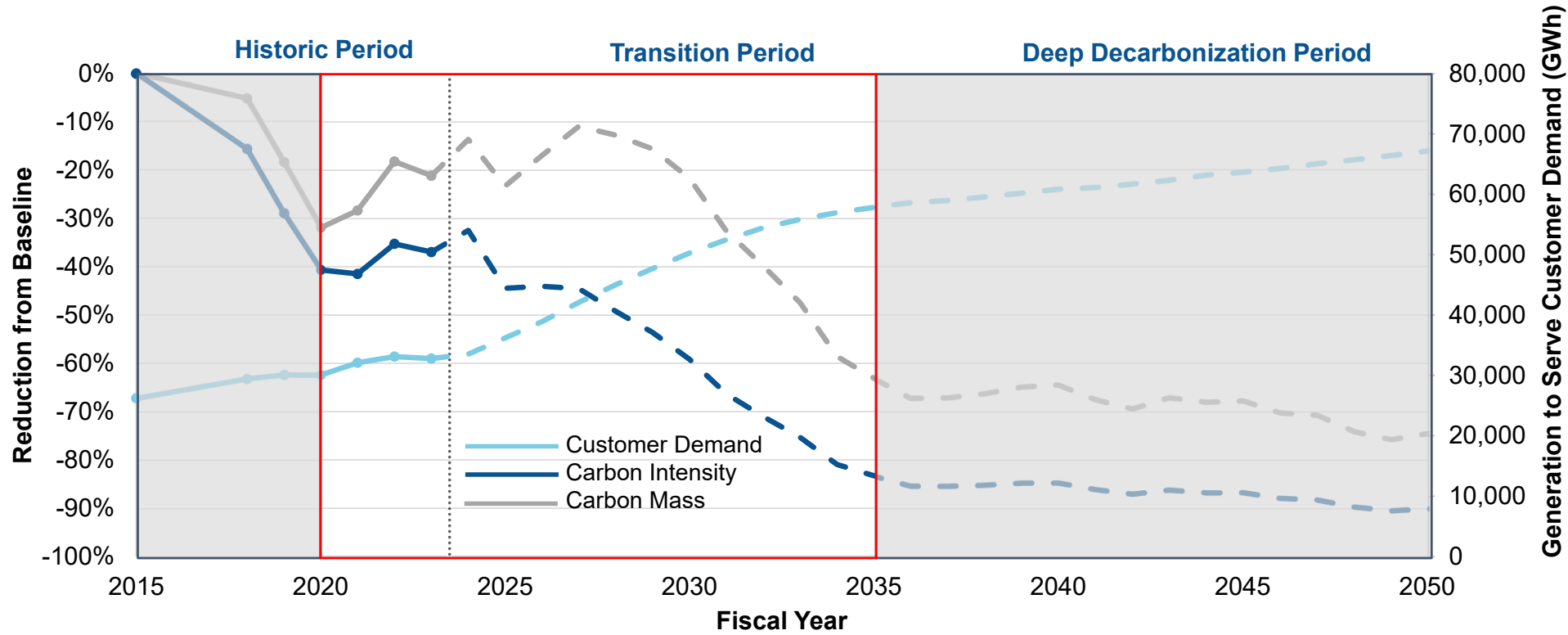


Responsible Decarbonization Approach

1. Retire SRP's Coal Resources – Close SRP's coal resources while ensuring sufficient reliable capacity is online to meet customer demand, mitigate operational and development risk, and maintain reliability standards
2. Add Carbon Free Energy Resources – Install significant amounts of carbon free resources, primarily solar, and mitigate operational risk that comes with increasing ramps and intermittency
3. Add Firm Capacity Resources – Add new firm generation with lower carbon output, including natural gas resources, to replace retiring capacity, meet growing customer demand, provide system reliability, renewable integration, and manage affordability
4. Enhance Flexibility and Maintain Existing Gas Fleet - provides reliability back up in times of system stress
5. Diversify storage (duration and type) and encourage customer conservation (EE/DR) to aid in decarbonizing hard, overnight hours

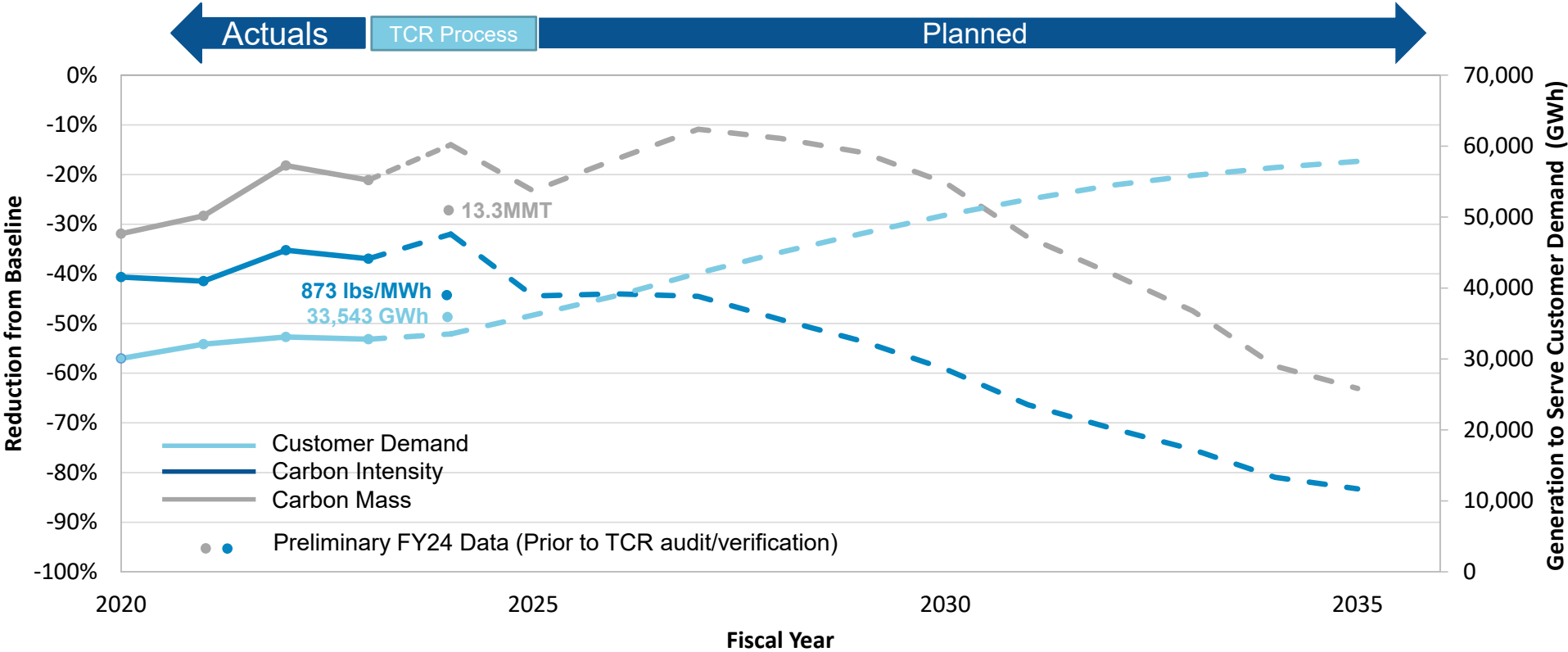
SRP's Lower Carbon Plan to 2035

Even with customer demand doubling relative to today, SRP will reduce carbon mass emissions significantly by 2035

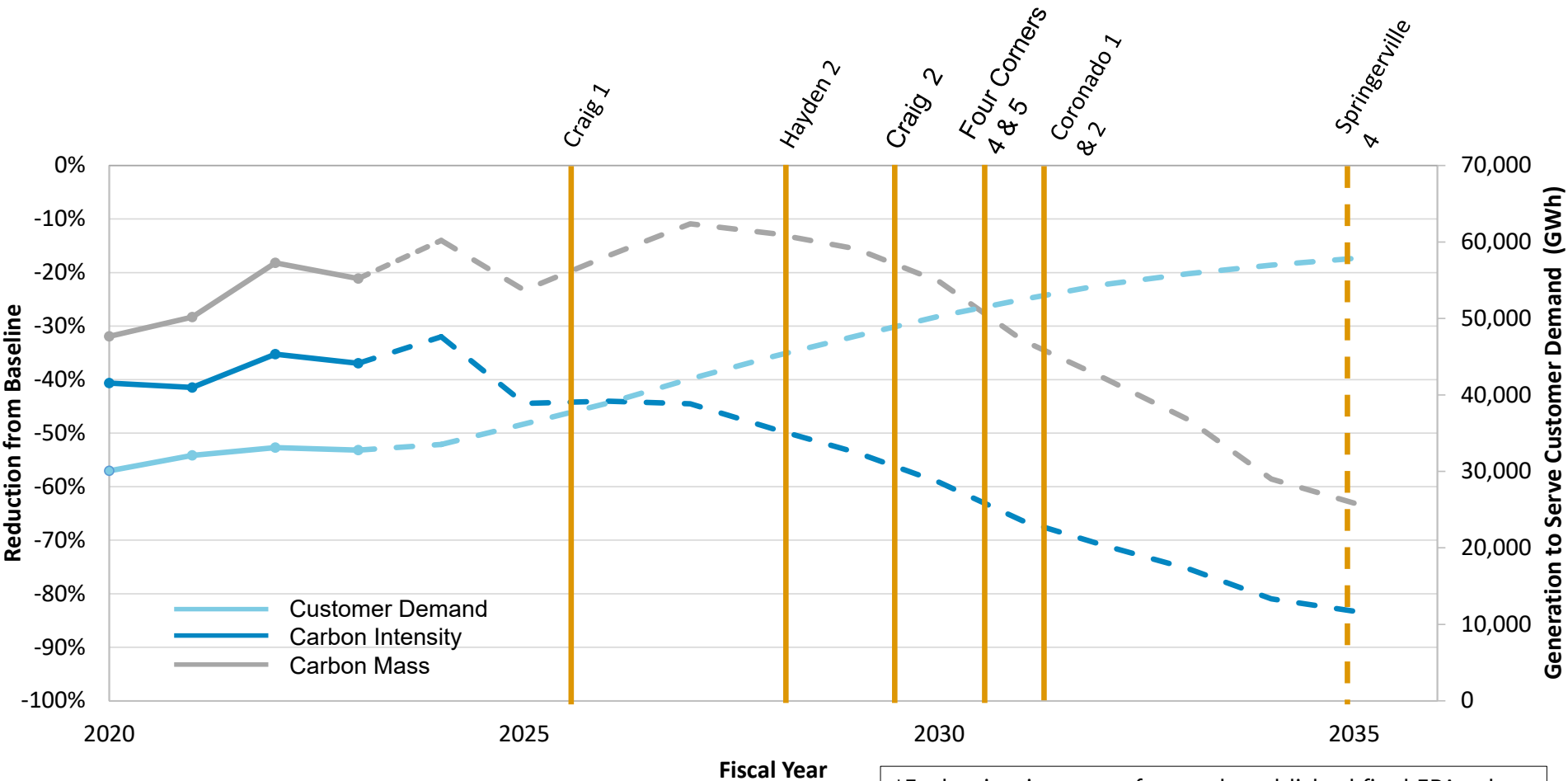


SRP's Lower Carbon Plan: FY20-35

Preliminary carbon results (unaudited) for FY24 show SRP outperforming forecasted intensity and mass, even with higher customer demand than planned



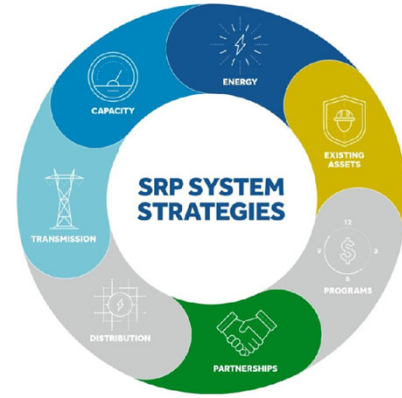
SRP's Coal Closure Commitments



*Evaluating impacts of recently published final EPA rules

Strategies for Adding Resources

- All Source Requests for Proposals (RFPs)
 - Continue to issue annually to procure capacity and carbon-free energy resources
 - Facilitates evaluation of market offerings
- Strategic Partnerships
 - Partner with developers, contractors, and suppliers to procure resources
 - Access to greater buying power and retain more cost control over third party development
- SRP Self-Build
 - Design, build, own, and operate required resources
 - Provides additional operational control and development flexibility



Resource Action Plan Summary

Under Contract and
Actively Developing

Planned

Procurement Method	Resource Type	FY25	FY26	FY27	FY28	FY29	FY30	FY31	FY32	FY33	FY34	FY35	TOTAL
Previous RFPs	Wind	161											161
	Solar	500		400	394	705							1,999
	4hr Storage	640		455		890							1,985
2024 All-Source RFP	Solar						600	500					1,100
	4hr Storage						900	600					1,500
	8hr Storage						200	50					250
Future All-Source RFPs	Wind									200	300		500
	Solar								600	600	600	600	2,400
	4hr Storage												0
	8hr Storage								750			50	800
	Natural Gas									975			975
Strategic Partnerships	Solar						500	500	500	500	500	500	3,000
	4hr Storage												0
	8hr Storage												0
SRP Self-Build	Solar			55		200	200	200	200	200	200	200	1,455
	4hr Storage					200							200
	8hr Storage									200			200
	Natural Gas	99		288	287			225		225			1,124
	Pumped Storage										1,000		1,000
	TOTAL	1,400	0	1,198	681	1,995	2,400	2,075	2,050	2,900	2,600	1,350	18,649

Current Resources In Construction, Development, or Active Contract Negotiations

 SRP Self Build

 PPA

* Competitively sensitive, projects in active negotiation

	FY25	FY26	FY27	FY28	FY29	FY30	FY31	FY32	FY33	FY34
Babbitt Ranch Wind	161									
Brittlebush Solar	200									
Copper Crossing Natural Gas	99									
Eleven Mile Solar	300									
Eleven Mile Battery Storage	300									
Sierra Estrella Battery Storage	250									
Superstition Battery Storage	90									
Coolidge Natural Gas Phase 1			288							
Desert Blume Long-Duration Storage			5							
Brittlebush/Flatland Battery Storage			200							
CO Bar 1 Solar			400							
Signal Butte Battery Storage			250							
Copper Crossing Solar			55							
CO Bar 2 Solar				394						
Coolidge Natural Gas Phase 2				287						
Self Build Solar					200					
Self Build Battery Storage					200					
2023 ASRFP Future Solar *					225					
2023 ASRFP Future Solar *					200					
2023 ASRFP Future Battery Storage *					200					
2023 ASRFP Future Solar *					130					
2023 ASRFP Future Storage*					130					
2023 ASRFP Future Battery Storage *					350					
2023 ASRFP Future Battery Storage *					40					
2024 LDES RFP Long-Duration Storage*					20					
2023 ASRFP Future Battery Storage *					150					
2023 ASRFP Future Solar *					150					
Pumped Storage										1,000
TOTAL	1,400		1,198	681	1,995					1,000

Near-Term Next Steps

- Complete contract negotiations for projects selected in 2023 All-Source RFP
- Complete evaluation and select top scoring projects from 2024 All-Source RFP
- Issue RFP to potential candidates for solar strategic partnership with goal of finalizing agreement by end of FY25
- Develop FP26 Resource Plan and incorporate impacts of final EPA rules
- Continue to develop self-build solar, battery storage, and natural gas projects
 - Land acquisition, early community outreach, preparation for siting processes, early design
- Continue to develop long-lead assets
 - Pumped storage, other long-duration storage technologies, etc.

thank you!



Renewable Breakdown of SRP Energy Mix

Preliminary Fiscal Year 2024 (FY24) Actual Retail Energy Generation:

The pie chart below shows the preliminary estimates of actual generation delivered to SRP's retail customers in FY24 (May 1, 2023 – April 30, 2024). The table to the right shows generation output from all renewable generating facilities operational in FY24. Sonoran and Storey solar facilities both achieved commercial operation (COD) in December 2024, six months later than planned due to delayed panels detained at U.S. Customs for inspection for compliance with forced labor laws. If both facilities had come online as planned, it is estimated that an additional 475,608 MWh would have been produced in FY24, increasing the percentage of renewable generation to 13% of retail generation.

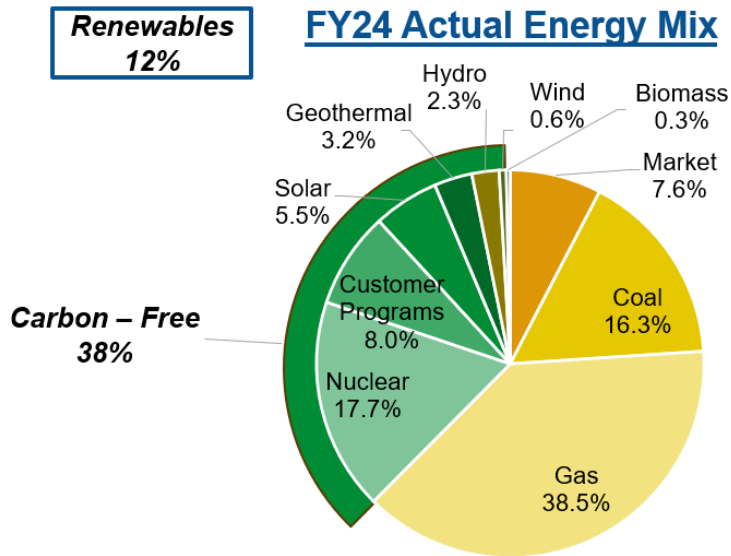


Photo: Sonoran Energy Center, Buckeye, AZ

FY24 Actual Renewable Generation for Retail by Resource		
Renewable Resources	MWh	% Total Gen
Solar		
Sonoran*	449,987	1.2%
West Line	271,917	0.7%
Central Line	260,931	0.7%
Saint	245,882	0.7%
East Line	245,361	0.7%
Storey*	129,242	0.4%
Sandstone	110,911	0.3%
Kayenta 2	85,906	0.2%
Kayenta 1	60,752	0.2%
Copper Crossing	50,853	0.1%
Queen Creek	46,058	0.1%
Pinal Central	40,999	0.1%
Hydro		
CRSP	332,755	0.9%
Parker-Davis	150,049	0.4%
Hoover	118,294	0.3%
Roosevelt	78,104	0.2%
Horse Mesa	71,639	0.2%
Mormon Flat	43,712	0.1%
Stewart Mountain	33,383	0.1%
Small Scale Hydro	41	.0001%
Wind		
Dry Lake 2	113,091	0.3%
Dry Lake 1	105,076	0.3%
Geothermal		
CalEnergy	627,436	1.7%
Hudson Ranch	379,286	1.0%
Cove Fort	150,809	0.4%
Biomass		
Novo	116,574	0.3%
Total Renewables for Retail	4,315,960	12%
Total Retail Generation	36,464,310	-

*Projects that came online in FY24

Renewable Breakdown of SRP Energy Mix

FY25 Projected Retail Energy Generation:

The pie chart below represents the projected energy mix for FY25 (May 1, 2024 – April 30, 2025) based on the FP25 Resource Plan. The table to the right further breaks down renewable generation resource forecasts from FP25 that are expected to be operational in FY25.

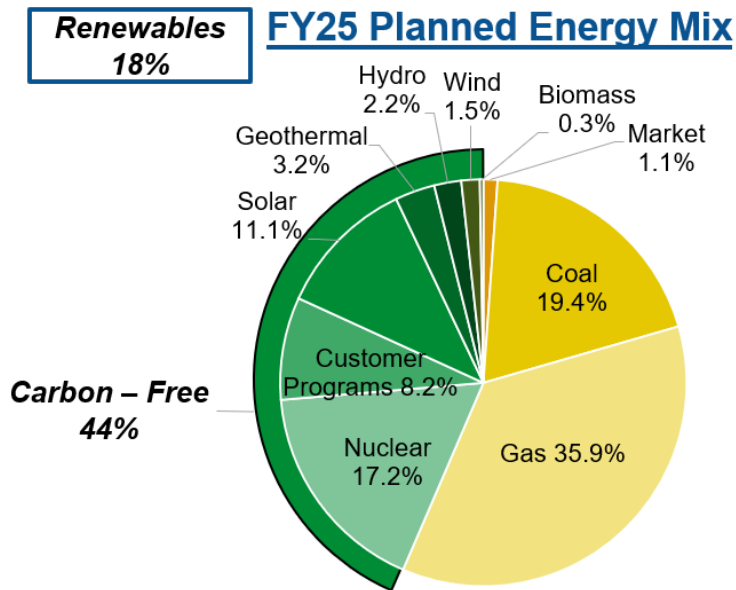


Photo: Eleven Mile, Coolidge, AZ

FY25 Projected Renewable Generation for Retail by Resource		
Renewable Resources	MWh	% Total Gen
Solar		
Sonoran	1,174,429	3.0%
<i>Eleven Mile*</i>	787,493	2.0%
<i>Brittlebush**</i>	521,032	1.3%
Storey	345,785	0.9%
Central Line	291,511	0.7%
West Line	281,652	0.7%
Saint	278,040	0.7%
East Line	276,286	0.7%
Sandstone	124,302	0.3%
Kayenta 1	78,000	0.2%
Kayenta 2	78,000	0.2%
Pinal Central	61,005	0.2%
Queen Creek	48,372	0.1%
Copper Crossing	48,307	0.1%
Hydro		
CRSP	334,364	0.8%
Parker Davis	150,082	0.4%
Hoover	116,138	0.3%
Horse Mesa	99,780	0.3%
Roosevelt	65,425	0.2%
Mormon Flat	51,695	0.1%
Stewart Mountain	32,756	0.1%
Small Scale Hydro	82	0.0002%
Wind		
<i>Babbitt Ranch**</i>	338,839	0.9%
Dry Lake Wind 2	120,516	0.3%
Dry Lake Wind 1	119,932	0.3%
Geothermal		
CalEnergy	678,082	1.7%
Hudson Ranch	437,928	1.1%
Cove Fort	136,203	0.3%
Biomass		
Novo	110,376	0.3%
Total Renewables for Retail	7,188,716	18%
Total Retail Generation	39,538,812	-

* Project that came online in June 2024

** Projects initially anticipated to achieve commercial operation by June 1, 2024, but have been delayed. Energy forecast does not account for delays. Expected to be online later in 2024

Update Regarding Upcoming Proposed Revenue Bond Sale

SRP Council Meeting

Jon Hubbard

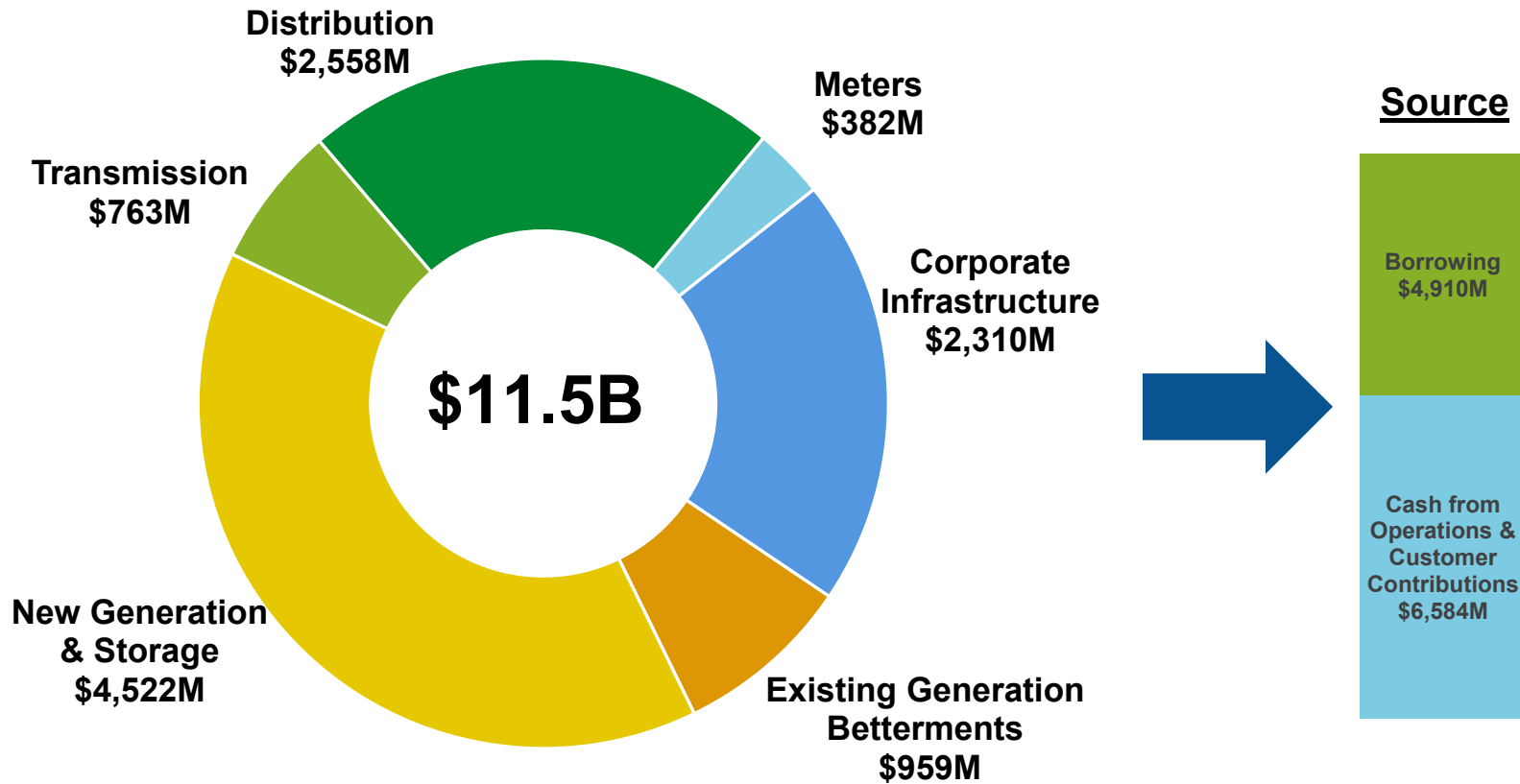
August 6, 2024

Agenda

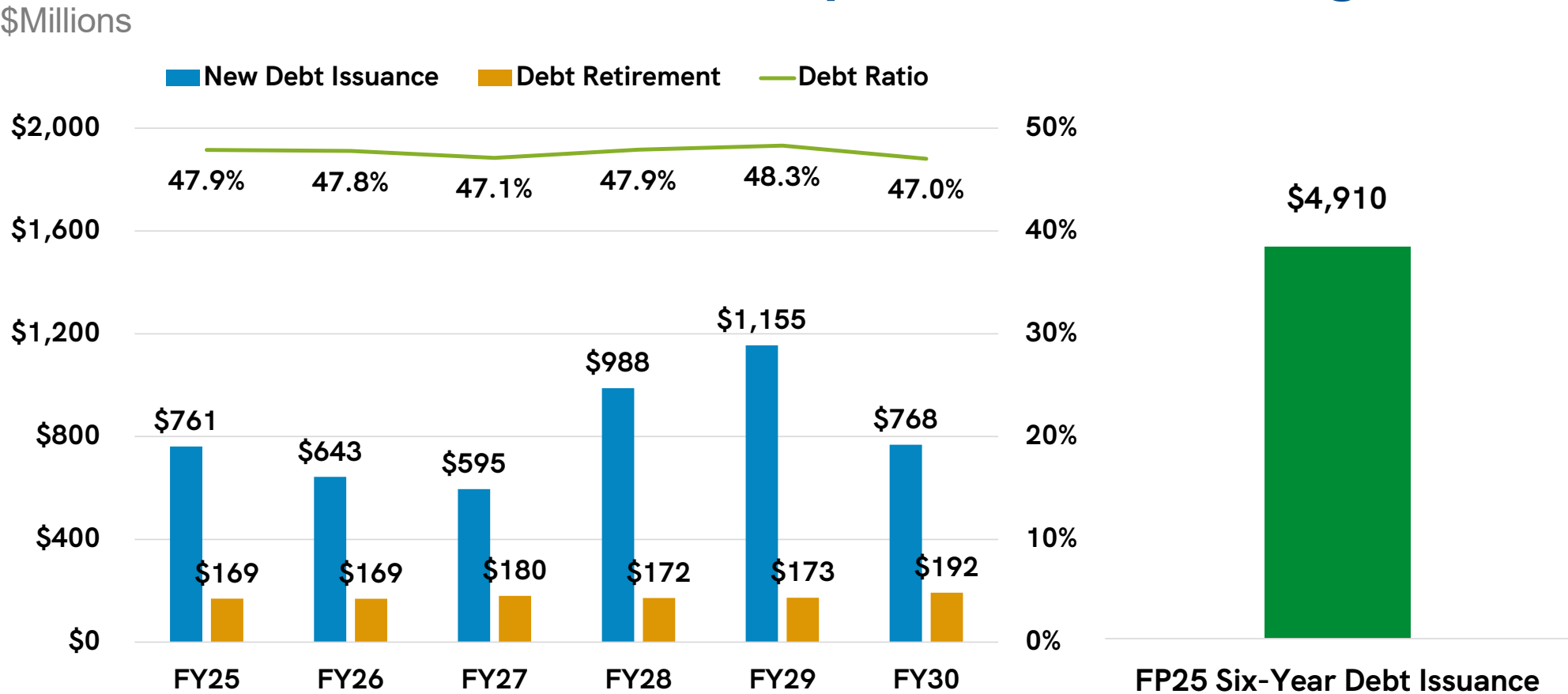
- Review Financial Outlook
- Review Cash/Borrowing Needs
- Bond Sale Process
- Current Market Outlook
- Potential Bond Sale Team
- Parameters Under Consideration
- Calendar

FP25 6-Year District Capital Spend Outlook

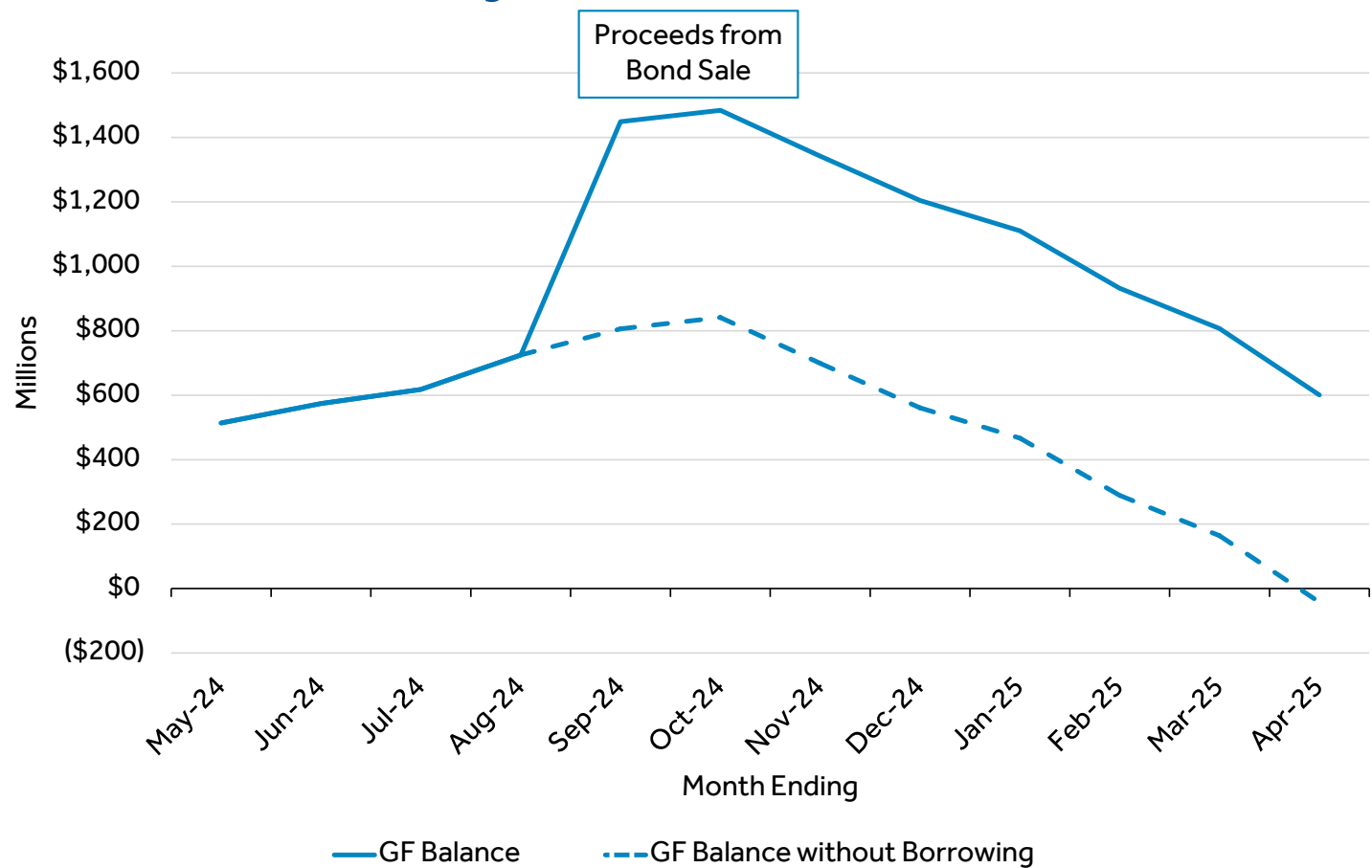
~60% sourced by internally generated funds, remaining amount financed



Continued SRP Growth Will Require More Financing



FY25 General Fund Projection



Bond Sale Process

Financial Plan 2025 Input + FY25 Liquidity Levels



Putting together Bond Sale Team

Update Preliminary Official Statement (POS) and Other Financing Documents

Engage Rating Agencies

August Board & Council Informational Presentation

September Update Board & Council + Parameters Approval Request

Finalize POS, Investor Presentation and Other Financing Documents

Target Pricing Day/Week

Bond Purchase Agreement signed after pricing within parameters (same day)

Bonds Released to Investors (same day)

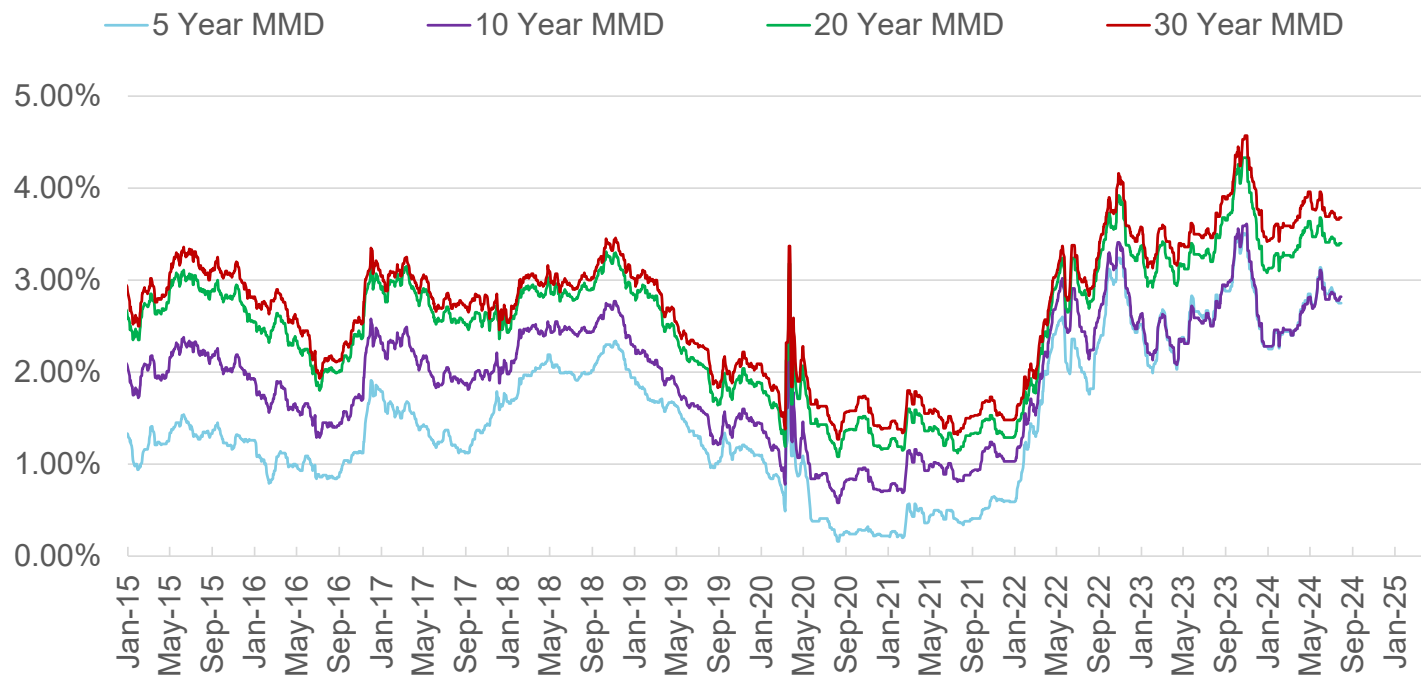
Finalize Official Statement (OS)

Update Board & Council on Bond Sale Results

Interest Rates & SRP Bond Deals

AAA MMD (Municipal Market Data Yield Curve)

Effective Rate on Bond Portfolio = 3.8% | Total Debt Outstanding \$5.2 billion

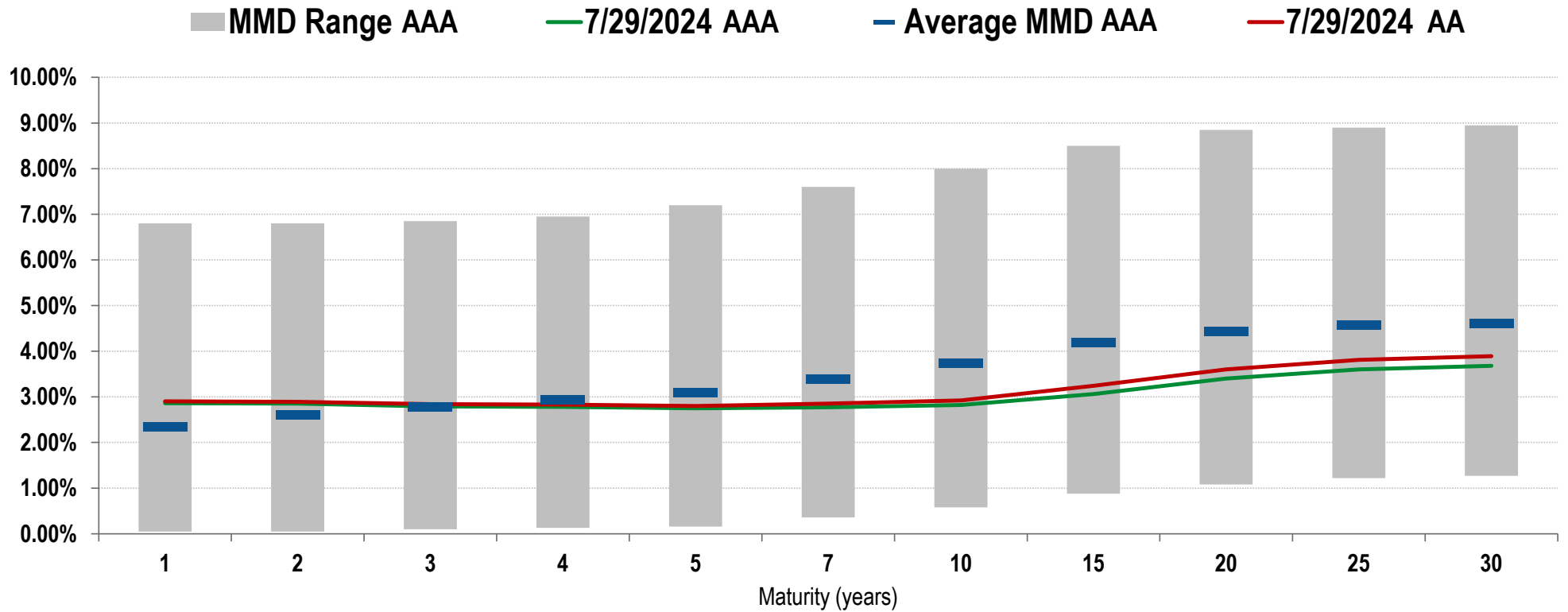


Series	Rate
2015A	3.72%
2016A	3.42%
2017A	2.98%
2019A	3.00%
2022A*	2.06%
2020A/20B/21A	2.23%
2025A*	4.26%
2023A	4.23%
2023B	4.77%

*Forward transaction;
2025A closes 3/3/2025

Current MMD Rates and Historical Range

1985 thru 7/29/2024



Potential Bond Sale Team

• Lead Banker:	TBD
• Co-managers:	BofA Securities, Inc. J.P. Morgan Securities LLC Goldman Sachs & Co. LLC TD Securities LLC Morgan Stanley & Co. LLC
• Underwriter's Counsel:	James Normile, <i>Katten Muchin Rosenman LLP</i>
• Financial Advisor:	Michael Mace, <i>PFM Financial Advisors LLC</i>
• Bond Counsel:	Tricia Gasparine, <i>Chiesa Shahinian & Giantomasi PC</i>
• Tax Counsel:	Mitch Rapaport, <i>Nixon Peabody</i>
• Arizona Counsel:	Bill Clarke/Raj Gangadean, <i>Spencer Fane</i>

Parameters Under Consideration

1	2	3	4	5	6
Par Amount	True Interest Cost	Final Maturity	Call Option	Purchaser's Compensation	Pricing Execution
<ul style="list-style-type: none"> • Not to exceed \$800 million • Represents the amount of principal to be paid at maturity • Referred to as "face amount" of a security 	<ul style="list-style-type: none"> • Not to exceed 6.0% • Overall rate of interest to be paid over the life of the bonds 	<ul style="list-style-type: none"> • No greater than 40 years • Final maturity of the entire bond series cannot exceed 40 years 	<ul style="list-style-type: none"> • Not to exceed 100% • 10 year call option • SRP has the right to refinance any time after 10 years 	<ul style="list-style-type: none"> • Not to exceed \$2.00 per \$1,000 of bonds issued • Compensation to Underwriters for services rendered • Also referred to as Underwriter's Discount / Fee 	<ul style="list-style-type: none"> • After B&C approval, execute pricing before 12/31/2024

Board & Council Calendar

Date	Detail
August Board & Council	Initial Update/Info
September Board & Council	Parameters Request
September-December	Execute Bond Sale/Sign Bond Purchase Agreement
Board & Council Meeting after Sale	Review Bond Sale





Council Report – Current Events

Council Meeting

August 6, 2024



Current Events

Jim Pratt



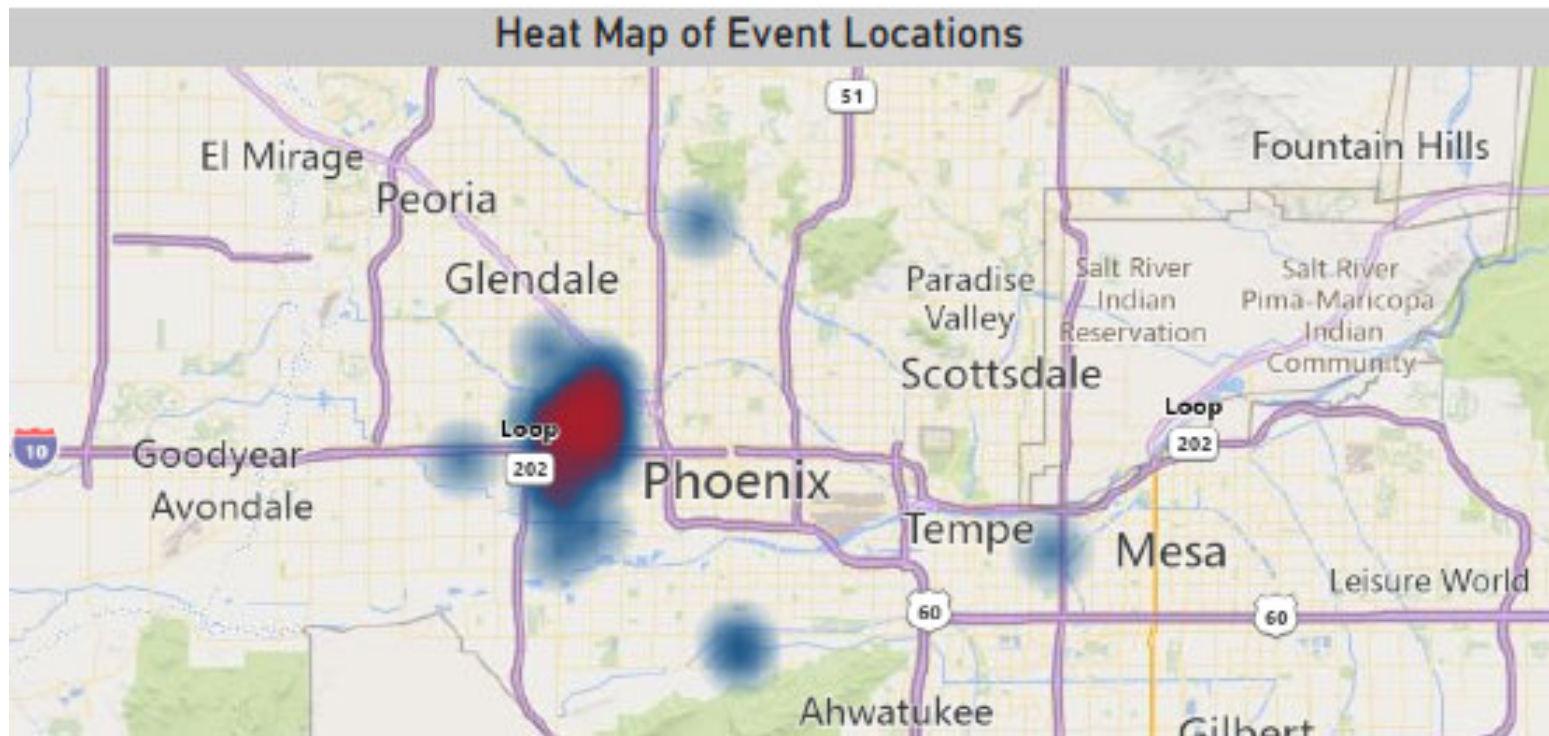
Power System Update – Current Events

Chris Campbell

Operational Updates – June & July 2024

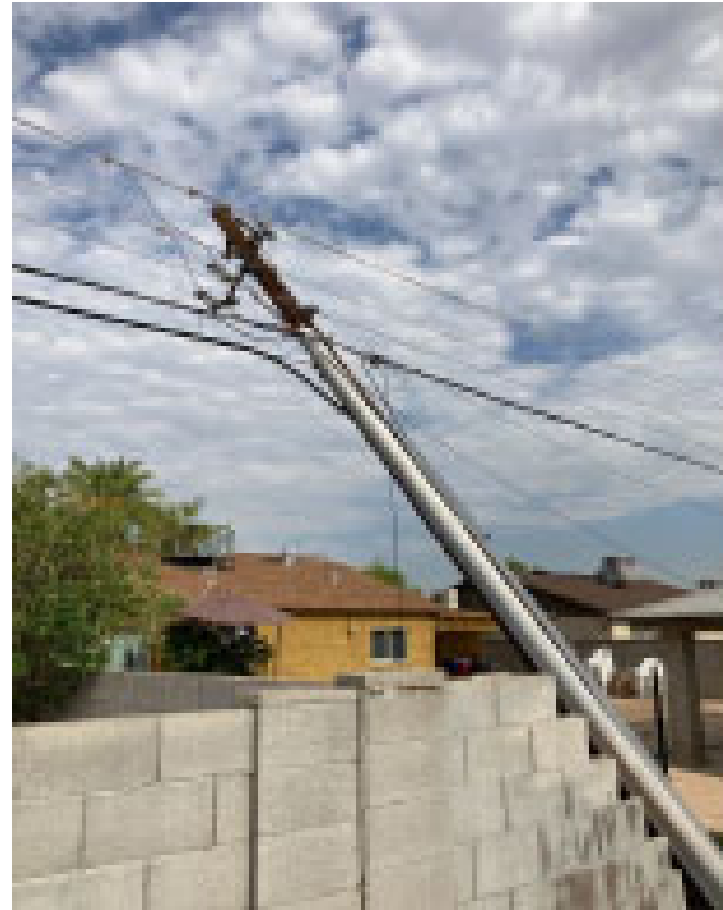
- June Customer peak demand: 7653 MW
 - Occurred on June 27th with 111-degree temperature
 - 128 MW higher than forecasted
- July Customer peak demand: 8087 MW
 - Occurred on July 8th with 116-degree temperature
 - 75 MW lower than forecasted
 - 76 MW lower than last year's peak
- Record Heat!
 - 39 days at 110 degrees or higher
 - 25 days with a minimum temperature in the 90's
 - Hottest June on record, average temperature of 97 degrees
- Assets performed extremely well

Operational Updates – Level 1 Storm (7/24/2024)

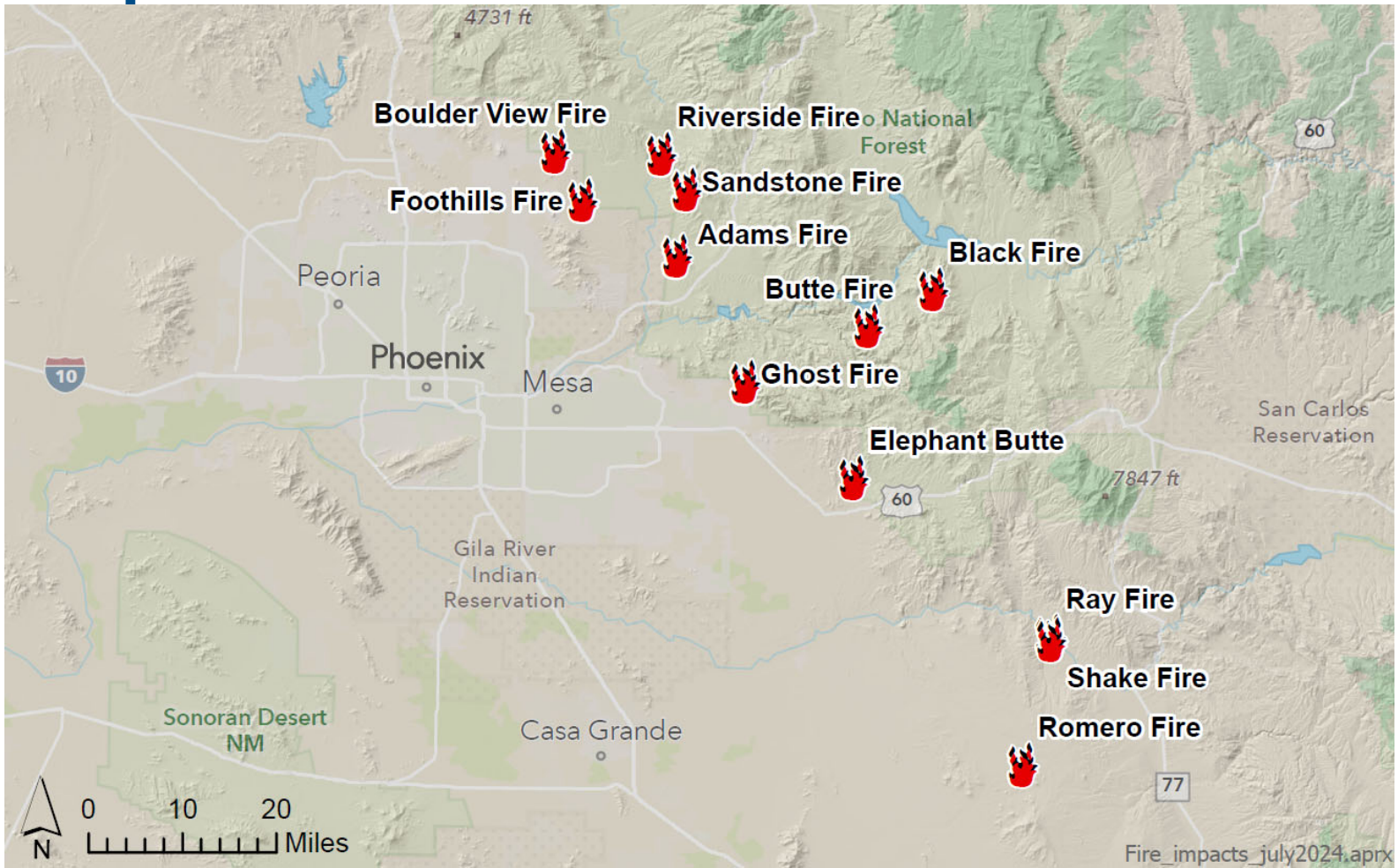


- Active Outages: 72
- Broken Distribution Poles: 12
- Total Customer Interruptions: 36,000
- Broken Transmission Poles: 10

Operational Updates – Level 1 Storm (7/24/2024)



Wildfire Update



Wildfire Update



08/06/2024 Council Meeting, C, Campbell





Financial Update

Brian Koch

Financial Definitions for Dashboard

Combined Net Revenue

- SRP's "bottom line"
- Comparable to Net Income
- "Combines" SRP's electric and water income statements

Debt Service Coverage Ratio & Debt Ratio

- DSCR = ratio of net cash inflows vs. annual interest & principal payments
- Debt Ratio = percentage of long-life assets paid for with debt

Liquidity (General Fund)

- SRP's checking account
- Days Cash = number of days that SRP can continue to pay its cash expenses without any cash inflow

FPPAM Collection Balance

- Fuel & Purchased Power Adjustment Mechanism
- Recovers the appropriate fuel & purchased costs over time (no more, no less)

Financial Summary Through June 2024

Green text means better than budget/plan; red text means worse than budget/plan

Combined Net Revenue

June	Year-To-Date
\$160M \$58M	\$216M \$67M

Debt Service Coverage Ratio & Debt Ratio

Year-To-Date DSCR	Year-End* Debt Ratio
6.21 1.12	46.5% 0.9

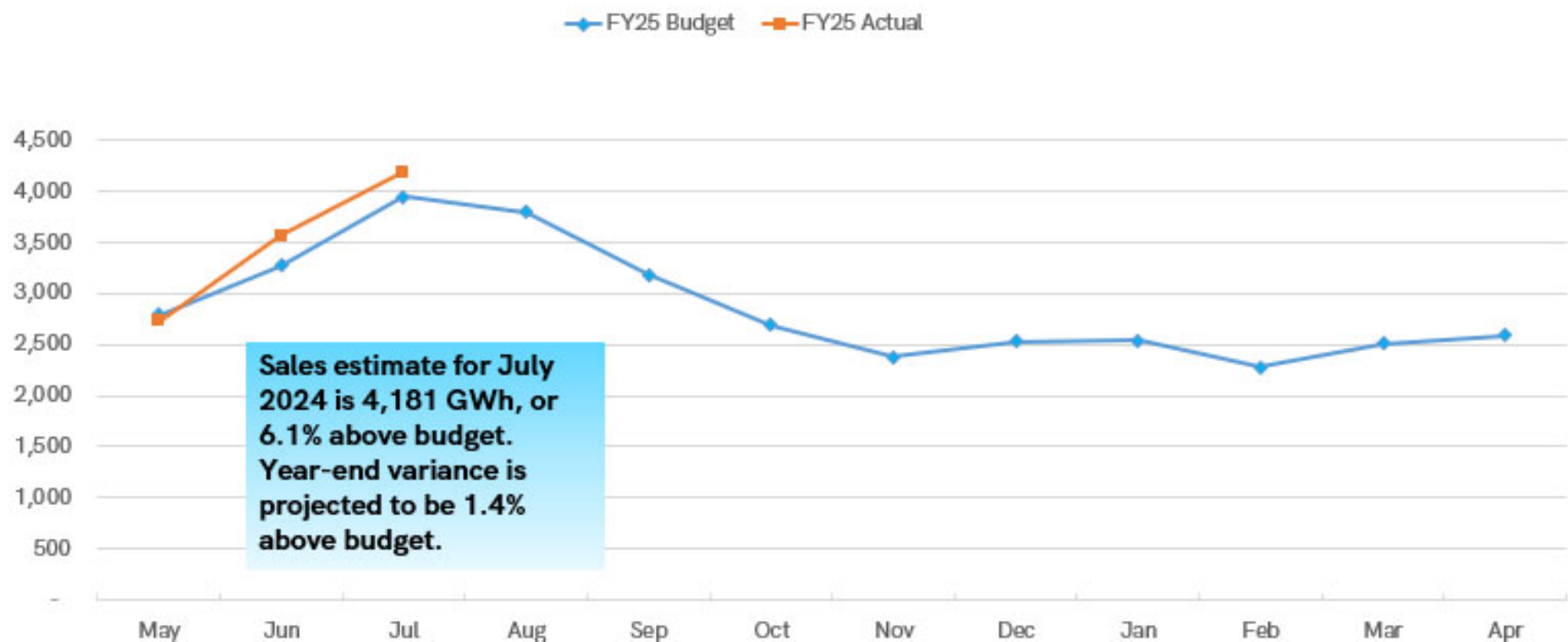
Liquidity (General Fund)

June	Year-End Forecast
<i>40 Days Cash</i> \$574M \$174M	<i>42 Days Cash</i> \$600M \$0M

FPPAM Collection Balance

June	Year-End Forecast
(\$350M) \$26M	(\$327M) \$26M

FY25 Preliminary Retail Energy Sales (GWh)





Water Stewardship

Leslie Meyers

2024

Indian Water Rights Settlement Update

On Tuesday, July 23, 2024, at 10:15 a.m. in room 1324 Longworth House Office Building, the Committee on Natural Resources, Subcommittee on Water, Wildlife and Fisheries will hold a legislative hearing on the following bills:

- H.R. 1304 (Rep. Leger Fernandez), “Rio San José and Rio Jemez Water Settlements Act of 2023”;
- H.R. 3977 (Rep. Leger Fernandez), “Navajo-Gallup Water Supply Project Amendments Act of 2023”;
- H.R. 6599 (Rep. Leger Fernandez), “Technical Corrections to the Northwestern New Mexico Rural Water Projects Act, Taos Pueblo Indian Water Rights Settlement Act, and Aamodt Litigation Settlement Act”;
- H.R. 7240 (Rep. Rosendale), “Fort Belknap Indian Community Water Rights Settlement Act of 2024”;
- H.R. 8685 (Rep. Leger Fernandez), “Ohkay Owingeh Rio Chama Water Rights Settlement Act of 2024”;
- H.R. 8791 (Rep. Zinke), “Fort Belknap Indian Community Water Rights Settlement Act of 2024”;
- H.R. 8920 (Rep. Fong), “Tule River Tribe Reserved Water Rights Settlement Act of 2024”;
- H.R. 8940 (Rep. Ciscomani), “Northeastern Arizona Indian Water Rights Settlement Act of 2024”;
- H.R. 8945 (Rep. Leger Fernandez), “Navajo Nation Rio San José Stream System Water Rights Settlement Act of 2024”;
- H.R. 8949 (Rep. Schweikert), “Yavapai-Apache Nation Water Rights Settlement Act of 2024”;
- H.R. 8951 (Rep. Vasquez), “Zuni Indian Tribe Water Rights Settlement Act of 2024” and
- H.R. 8953 (Rep. Zinke), “Crow Tribe Water Rights Settlement Amendments Act of 2024”.

Arizona Science Center Water Exhibit

New Arizona Science Center Water Exhibit – Coming 2025



08/06/2024 Council Meeting, L. Meyers



Arizona Science Center

thank you!



SALT RIVER PROJECT AGRICULTURAL IMPROVEMENT AND POWER DISTRICT
OPEN ACCESS TRANSMISSION TARIFF

DRAFT

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I. COMMON SERVICE PROVISIONS

1. Definitions

Capitalized terms in this Tariff shall bear the meaning set forth herein, in either this Section 1 or the definitions section of ATTACHMENT O to this Tariff. If the term is not defined in this Tariff and is related to SRP's participation in Western Energy Imbalance Market (WEIM), then the term shall have the meaning set forth in the MO Tariff.

1.1 Affiliate

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

~~Aggregator~~

~~An entity that aggregates the loads of multiple customers in SRP's Direct Access Program for purposes of scheduling and billing of services provided under SRP's Tariff.~~

1.2 Ancillary Services

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

1.3 Annual Transmission Revenue Requirement

The total annual cost of the Transmission System for purposes of Network Integration Transmission Service shall be the amount posted on SRP's OASIS, as may be changed from time to time, and subject to the conditions specified in ATTACHMENT H.

1.4 Applicable Reliability Standards

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.

1.5 Application

A request by an Eligible Customer for transmission service pursuant to the provisions of the Tariff. Prior to submission of an Application, an Eligible Customer must complete the registration process on SRP's OASIS and become an SRP Eligible Customer.

1.6 Balancing Authority (BA)

As defined by the NERC ~~Reliability Standards~~ Glossary of Terms for the Bulk Electric Systems of North America.

1.7 Balancing Authority Area (BAA)

As defined by the NERC ~~Reliability Standards~~ Glossary of Terms for the Bulk Electric Systems of North America.

1.8 Balancing Authority Area Resource (BAAR)

A resource owned by SRP, or voluntarily contracted for by SRP, to provide ~~EIM/WEIM~~ Available Balancing Capacity, that can provide regulation and load following services to enable the SRP ~~EIM/WEIM~~ Entity to meet reliability criteria. No resource unaffiliated with the SRP ~~EIM/WEIM~~ Entity shall be a Balancing Authority Area Resource (BAAR) solely on the basis of one or more of the following reasons: (i) the resource is a designated Network Resource; (ii) the resource flows on a Point-to-Point Transmission Service ~~or GTS~~ reservation; or (iii) the resource is owned by an Interconnection Customer under this Tariff.

1.9 Bid Cost Recovery

The MO Western Energy Imbalance Market settlements process through which SRP ~~EIM/WEIM~~ Participating Resources recover their bid costs.

1.10 Bookout

Transaction in which energy or capacity contractually committed bilaterally for delivery is not actually delivered due to some offsetting or countervailing trade.

1.11 California Independent System Operator Corporation (CAISO)

A state-chartered, California non-profit public benefit corporation that operates the transmission facilities of all California Independent System Operator Corporation (CAISO) participating transmission owners and dispatches certain generating units and loads.

1.12 CAISO BAA

The collection of generation, transmission, and loads within the metered boundaries of the CAISO Balancing Authority Area.

1.13 Commission

The Federal Energy Regulatory Commission.

1.14 Completed Application

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

1.15 Constrained Posted Path

Any posted path having an ATC less than or equal to 25 percent of TTC at any time during the preceding 168 hours or for which ATC has been calculated to be

less than or equal to 25 percent of TTC for any period during the current hour or the next 168 hours.

1.151.16 Curtail

To reduce Transmission Service in response to a transfer capability shortage as a result of system reliability conditions or a specific condition as identified in a Transmission Customer's Service Agreement.

1.161.17 Curtailment

A reduction in Transmission Service in response to a transfer capability shortage as a result of system reliability conditions or a specific condition as identified in a Transmission Customer's Service Agreement.

1.171.18 Delivering Party

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

1.19 Deliverable Resource

A generating unit which has passed a Generator Deliverability Study.

1.181.20 Designated Agent

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

1.191.21 Direct Assignment Facilities

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

1.201.22 Dispatch Instruction

An instruction by the MO for an action with respect to specific equipment, or to a resource for increasing or decreasing its energy supply or demand to a specified Dispatch Operating Target. A Dispatch Instruction may come directly from the MO or be relayed by the SRP ~~EIM~~WEIM Entity.

1.241.23 Dispatch Operating Point

The expected trajectory, in MW, of an SRP ~~EIM~~WEIM Participating Resource, SRP ~~EIM~~WEIM Non-Participating Resource or BAAR as it ramps from one Dispatch Operating Target to the next in response to a Dispatch Instruction directly from the MO or relayed by the SRP ~~EIM~~WEIM Entity.

4.221.24 Dispatch Operating Target

The expected operating point, in MW, of an SRP ~~EIM/WEIM~~ Participating Resource, SRP ~~EIM/WEIM~~ Non-Participating Resource or BAAR that has received a Dispatch Instruction directly from the MO or relayed by the SRP ~~EIM/WEIM~~ Entity.

4.231.25 Dynamic Transfer

~~Dynamic Transfer can be either a Dynamic Schedule or Pseudo-Tie as defined by NERC Glossary of Terms Used for the Bulk Electric Systems of North America. The provision of the real-time monitoring, telemetering, computer software, hardware, communications, engineering, energy accounting (including inadvertent interchange), and administration required to electronically move all or a portion of the real-time energy services associated with a generator or load out of one BAA into another. A Dynamic Transfer can be either:~~

~~A Dynamic Schedule: A telemetered reading or value that is updated in real time and used as a schedule in the AGC/ACE equation and the integrated value of which is treated as an after-the-fact schedule for Interchange accounting purposes. Dynamic Schedules are commonly used for scheduling jointly-owned generation to or from another BAA; or~~

~~A Pseudo-Tie: A functionality by which the output of a generating unit within the metered boundaries of a native BAA is telemetered to and deemed to be produced in an attaining BAA that provides BA services for and exercises BA jurisdiction over the generating unit. This value is treated as an actual Interchange and validated after the hour in real time with the host BA.~~

4.241.26 Eligible Customer

Any electric utility (including SRP and any power marketer), Federal power marketing agency, or any person generating electric energy for sale for resale is an Eligible Customer under this Tariff. Electric energy sold or produced by such entity may be electric energy produced in the United States, Canada or Mexico. However, with respect to transmission service that the Commission is prohibited from ordering by Section 212(g) or (h) of the Federal Power Act, such entity is eligible only if the service is provided pursuant to a state requirement that SRP offer the unbundled transmission service, or pursuant to a voluntary offer of such service by SRP.

~~Any retail customer taking unbundled transmission service pursuant to a state requirement that SRP offer the transmission service, or pursuant to a voluntary offer of such service by SRP, whether individually or through an Aggregator, and any Scheduling Coordinator scheduling Ancillary Services on behalf of such retail customer, is an Eligible Customer under this Tariff. For avoidance of ambiguity, retail competition has been suspended in the State of Arizona.~~

4.251.27 Economy Energy or Substitute Economy Purchases

Capacity and energy purchased by a Network Customer to replace capacity and energy from a Network Resource.

4.261.28 Emergency

Any system condition that requires automatic or immediate action to prevent or limit the failure of transmission facilities or generation supply that could adversely affect the reliability of the SRP Transmission System or other Transmission Systems in the Western Electricity Coordinating Council.

4.271.29 E-Tag

An electronic tag associated with a schedule in accordance with the requirements of NERC, WECC, or the North American Energy Standards Board (NAESB).

4.281.30 Facilities Study

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

4.291.31 Firm Point-to-Point Transmission Service

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

4.301.32 Firm Transmission Service

Transmission Service under this Tariff which includes Firm Point-to-Point Transmission Service, and Network Integration Transmission Service, ~~and Generation Integration Transmission Service.~~

4.341.33 Flexible Ramping Product

A product defined under Section 44 of the MO Tariff and settled pursuant to Section 29.11(p) and related sections of the MO Tariff.

4.321.34 Flexible Ramping Forecast Movement

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

4.331.35 Flexible Ramping Uncertainty Award

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

4.341.36 Flexible Ramping Uncertainty Requirement

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

4.351.37 Forecast Data

Information provided by Transmission Customers regarding expected load (as determined pursuant to Section 4.2.4.3 of ATTACHMENT S of this Tariff), generation, Intrachange, and Interchange, as specified in the SRP ~~EIMWEIM~~ Business Practice. The Transmission Customer Base Schedule includes Forecast Data that is used by the SRP ~~EIMWEIM~~ Entity as the baseline by which to measure Imbalance Energy for purposes of ~~EIMWEIM~~ settlements.

1.38 Generator Deliverability Study

An assessment by SRP of (i) the ability of an individual generating unit to provide energy to the Transmission System at peak load and (ii) whether individual generating unit can demonstrate the capacity to run simultaneously at peak load, and that excess energy above load can be exported. Generator resources without transmission constraint results will be deemed Deliverable Resources.

~~Generation Integration Transmission Service (GITS)~~

~~The Transmission Service provided under Part IV of this Tariff.~~

~~GITS Customer~~

~~Any entity receiving Transmission Service pursuant to the terms of SRP's Generation Integration Transmission Service under Part IV of this Tariff.~~

~~GITS Generation Resource~~

~~Any generation resource interconnected to the Valley Network as specified in the Service Agreement for GITS.~~

~~GITS Operating Agreement~~

~~An executed agreement that contains the terms and conditions under which the GITS Customer shall operate its facilities and the technical and operational matters associated with the implementation of GITS under Part IV of this Tariff.~~

4.361.39 Good Utility Practice

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

1.371.40 Imbalance Energy

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

1.381.41 Instructed Imbalance Energy (IIE)

There are three scenarios that can lead to settlement of imbalance as IIE: (i) operational adjustments of the Transmission Customer's affected Interchange or Intrachange, which includes changes by the Transmission Customer after T-57; (ii) resource imbalances created by Manual Dispatch or an ~~EIM~~WEIM Available Balancing Capacity dispatch; or (iii) an adjustment to resource imbalances created by adjustments to resource forecasts pursuant to Section 11.5 of the MO Tariff.

1.391.42 Interchange

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

1.401.43 Interconnection Customer

An entity, including SRP or any of its Affiliates or subsidiaries that proposes to interconnect its generating facility with SRP's Transmission System.

1.411.44 Interrupt

To reduce Non-Firm Point-to-Point Transmission Service due to the reasons stated in Section 14.7 of this Tariff.

1.421.45 Interruption

A reduction in Non-Firm Point-to-Point Transmission Service pursuant to Section 14.7.

1.431.46 Intrachange

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

1.441.47 IRS

The Internal Revenue Service or its regulatory successor.

1.451.48 Load Aggregation Point (LAP)

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

1.461.49 Load Ratio Share

For wholesale Network Customers, the ratio of a Transmission Customer's Network Load to SRP's total load computed in accordance with Sections 33.2 and 33.3 of the Network Integration Transmission Service under Part III of this Tariff and calculated on a four summer month (June through September) rolling average basis.

~~For retail Network Customers, the ratio of the retail customer class load to SRP's total load computed in accordance with Sections 33.2 and 33.3 of the Network Integration Transmission Service under Part III of this Tariff and calculated on a four summer month (June through September) rolling average basis.~~

1.471.50 Load Shedding

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

1.481.51 Locational Marginal Price (LMP)

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

1.491.52 Long-Term Firm Point-to-Point Transmission Service

Firm Point-to-Point Transmission Service under Part II of this Tariff with a term of one (1) year or more.

1.501.53 Manual Dispatch

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

1.511.54 Market Operator (MO)

The entity responsible for operation, administration, settlement, and oversight of the ~~EIMWEIM~~. CAISO is the MO for the ~~EIMWEIM~~.

1.521.55 Market Price Proxy

~~The published day-ahead InterContinental Exchange (ICE) Electricity Price Index for the applicable hour. If the Market Price Proxy hourly pricing data is not available from ICE for a given hour, pricing data from another published source for the same hour and location shall be used or, if no such alternative published data is available,~~

~~the applicable ICE index from one or more hours proximate to (either prior or subsequent to) the hour without available data and with the same hour characteristics shall be used in a commercially reasonable manner to estimate the missing pricing data.~~ The hourly LAP price for the SRP WEIM Entity Balancing Authority Area for the applicable hour as established by the MO under section 29.11(b)(3)(C) of the MO Tariff.

In the event the hourly LAP price is not available, the Hourly Proxy Price as calculated using the published day ahead price index for hub pricing and volumes at Palo Verde for firm on-peak and off-peak prices as indicated on SRP's OASIS, as may be changed from time to time.

1.531.56 Measured Demand

Measured demand includes (1) Metered Demand, plus (2) e-Tagged export volumes from the SRP BAA (excluding ~~EW~~WEIM Transfers).

1.541.57 Metered Demand

Metered load quantities in SRP's BAA.

1.551.58 MO Tariff

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

1.561.59 Native Load Customers

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

1.571.60 NERC

The North American Electric Reliability Corporation or its successor organization.

1.581.61 Network Customer

An entity receiving Transmission Service pursuant to the terms of SRP's Network Integration Transmission Service under Part III of this Tariff.

1.591.62 Network Integration Transmission Service (NITS)

The Transmission Service provided under Part III of this Tariff.

1.601.63 Network Load

The load that a Network Customer designates for Network Integration Transmission Service under Part III of this Tariff. The Network Customer's Network

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

1.641.64 Network Operating Agreement

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

1.621.65 Network Operating Committee

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

1.631.66 Network Resource

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

1.641.67 Network Upgrades

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

1.651.68 Non-Firm Point-to-Point Transmission Service

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

1.661.69 Non-Firm Sale

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

1.671.70 Operating Day

The day when the ~~EIM~~WEIM runs and energy is supplied to load.

1.681.71 Operating Hour

The hour when the ~~EIM~~WEIM runs and energy is supplied to load.

1.691.72 Open Access Same-Time Information System (OASIS)

The information system posted on the internet as maintained by the SRP.

1.701.73 Palo Verde/Hassayampa Common Bus

The Palo Verde Switchyard, the Hassayampa Switchyard and the tie lines connecting the two switchyards. The Palo Verde Switchyard and the Hassayampa Switchyard will be considered a single Point of Receipt and a single Point of Delivery for purposes of this Tariff.

1.711.74 Part I

Tariff Definitions and Common Service Provisions contained in Sections 1 through 12.

1.721.75 Part II

Tariff Sections 13 through 26 pertaining to Point-to-Point Transmission Service in conjunction with the applicable Common Service Provisions of Part I and appropriate Schedules and Attachments.

1.731.76 Part III

Tariff Sections 27 through 34 pertaining to Network Integration Transmission Service in conjunction with the applicable Common Service Provisions of Part I and appropriate Schedules and Attachments.

Part IV

~~Tariff Sections 35 through 45 pertaining to Generation Integration Transmission Service in conjunction with the applicable Common Service Provisions of Part I and appropriate Schedules and Attachments.~~

1.741.77 Parties

SRP and the Transmission Customer receiving service under this Tariff.

1.751.78 Point(s) of Delivery

Point(s) on SRP's Transmission System where capacity and energy transmitted by SRP will be made available to the Receiving Party under Parts II, or III, ~~or IV~~ of this Tariff. The Point(s) of Delivery shall be specified in the Service Agreement.

1.761.79 Point(s) of Receipt

Point(s) of interconnection on SRP's Transmission System where capacity and energy will be made available to SRP by the Delivering Party under Parts II, or III, ~~or IV~~ of this Tariff. The Point(s) of Receipt shall be specified in the Service Agreement.

1.771.80 Point-to-Point Transmission Service

The reservation and transmission of capacity and energy on either a firm or non-firm basis from the Point(s) of Receipt to the Point(s) of Delivery under Part II of this Tariff. ~~This service will not be offered to any retail Transmission Customer during Phase I of SRP's Direct Access Program.~~

1.781.81 Power Purchaser

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

1.791.82 Pre-Confirmed Application

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

1.801.83 Pmax

The maximum capacity of a generating unit.

1.811.84 Pricing Node (PNode)

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

1.821.85 Real Power Losses

Electrical losses associated with the use of SRP's Transmission System.

1.831.86 Receiving Party

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

1.841.87 Regional Transmission Group (RTG)

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

1.851.88 Reserved Capacity

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

1.861.89 Resource Plan

The combination of load, resource and Interchange components of the Transmission Customer Base Schedule, Ancillary Services of the SRP ~~EIM/WEIM~~ Entity, and bid ranges submitted by SRP ~~EIM/WEIM~~ Participating Resources and ~~EIM/WEIM~~ Available Balancing Capacity of BAARs.

~~Scheduling Coordinator~~

~~An entity acting as the Designated Agent of a retail Network Customer and its electric service provider that secures and/or schedules Transmission Service and Ancillary Services on the SRP Valley Network in order to deliver electric generation service from the electric service provider to the retail Network Customer.~~

1.871.90 Service Agreement

An agreement and any amendments or supplements thereto entered into by the Transmission Customer and SRP for service under this Tariff.

1.881.91 Service Commencement Date

The date SRP begins to provide service pursuant to the terms of an executed Service Agreement or the date SRP begins to provide service in accordance with Sections ~~15.3, or 28.5 or 36.3~~ of this Tariff.

1.891.92 Short-Term Firm Point-to-Point Transmission Service

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

1.901.93 SRP

The Salt River Project Agricultural Improvement and Power District, an agricultural improvement district organized and existing under the laws of the State of Arizona, which provides Transmission Service under this Tariff.

1.941.94 SRP BAA Transmission Owner

A transmission owner, other than the SRP ~~EIMWEIM~~ Entity, who owns transmission facilities within the metered boundaries of the SRP BAA.

1.921.95 SRP Business Practice(s)

One or more business practices of SRP as posted on SRP's OASIS.

1.931.96 SRP Interchange Rights Holder

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

~~SRP's Direct Access Program~~

~~The SRP Terms and Conditions for Competition in the Retail Sale of Electric Generation Service, as adopted by resolution of the Board of Directors of the Salt River Project Agricultural Improvement and Power District, dated December 7, 1998, pursuant to A.R.S. § 30-801, et seq.; this Open Access Transmission Tariff; Standard Price Schedules, as adopted by resolution of the Board of Directors of the Salt River Project Agricultural Improvement and Power District, dated December 7, 1998; SRP's Rules and Regulations; and SRP's operating protocols; each as amended from time to time, together with any appendices or attachments thereto, also as amended from time to time.~~

1.941.97 SRP's Monthly Transmission System Peak

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

1.951.98 SRP ~~EIMWEIM~~ Base Schedule

An hourly forward energy schedule that is submitted by an SRP ~~EIMWEIM~~ Entity Scheduling Coordinator or SRP ~~EIMWEIM~~ Participating Resource Scheduling Coordinator for use by the MO in the real-time market.

1.961.99 SRP ~~EIMWEIM~~ Business Practice (SRP ~~EIMWEIM~~ BP)

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

1.971.100 SRP ~~EIMWEIM~~ Entity

The Transmission Provider in performance of its role as an ~~EIMWEIM~~ Entity under the MO Tariff and this Tariff, including, but not limited to, ATTACHMENT S.

1.981.101 SRP ~~EIMWEIM~~ Entity Scheduling Coordinator

The Transmission Provider or the entity selected by the transmission provider that is certified by the MO and that enters into the MO's ~~EIMWEIM~~ Entity Scheduling

Coordinator Agreement. An ~~EIMWEIM~~ Participating Resource Scheduling Coordinator may not also be an ~~EIMWEIM~~ Entity Scheduling Coordinator unless it is also a transmission provider subject to the standards of conduct.

1.991.102 SRP ~~EIMWEIM~~ Non-Participating Resource

A resource in SRP's BAA that is not an SRP ~~EIMWEIM~~ Participating Resource.

1.1001.103 SRP ~~EIMWEIM~~ Participating Resource

A resource or a portion of a resource that may include Balancing Authority Area Resources: (i) that has been certified in accordance with ATTACHMENT S by the SRP ~~EIMWEIM~~ Entity as eligible to participate in the ~~EIMWEIM~~; and (ii) for which the generation owner and/or operator enters into the MO's ~~EIMWEIM~~ Participating Resource Agreement.

1.1041.104 SRP ~~EIMWEIM~~ Participating Resource Scheduling Coordinator

A Transmission Customer with one or more SRP ~~EIMWEIM~~ Participating Resource(s) or a third party designated by the Transmission Customer with one or more SRP ~~EIMWEIM~~ Participating Resource(s), that is certified by the MO and enters into the MO's ~~EIMWEIM~~ Participating Resource Scheduling Coordinator Agreement.

1.1021.105 Substitute Designated Network Resource

A resource not previously designated by a Network Customer under Section 29.2 of this Tariff that: (i) goes to physical delivery to serve the Network Customer's Network Load or retail Network Customer; (ii) solely as a result of a Bookout involving a Network Resource executed prior to commencement of service; and (iii) uses the transmission path previously reserved for the Bookout Network Resource pursuant to Section 29 of this Tariff to deliver power to the Network Customer's Network Load or retail Network Customer.

1.1031.106 System Condition

A specified condition on SRP's system or on a neighboring system, such as a constrained transmission element or flowgate, that may trigger Curtailment of Long-Term Firm Point-to-Point Transmission Service ~~or Generation Integration Transmission Service~~ using the curtailment priority pursuant to Sections 13.6 ~~and 35.8 of this Tariff~~. Such conditions must be identified in the Transmission Customer's Service Agreement.

1.1041.107 System Impact Study

An assessment by SRP of: (i) the adequacy of the Transmission System to accommodate a request for either Point-to-Point Transmission Service, ~~or Network Integration Transmission Service, or Generation Integration Transmission Service~~; and (ii) whether any additional costs may be incurred in order to provide Transmission Service.

4.1051.108 Tariff

This SRP Open Access Transmission Tariff as amended or modified from time to time.

4.1061.109 Third-Party Sale

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

4.1071.110 Transmission Constraints

Physical and operational limitations on the transfer of electric power through transmission facilities, which include contingencies and nomograms.

4.1081.111 Transmission Customer

Any Eligible Customer (or its Designated Agent) that: (i) executes a Service Agreement; or (ii) commences service pursuant to Sections 15.3, or 28.5 or 36.3 of this Tariff; ~~(iii) commences the purchase of Network Service under this Tariff pursuant to SRP's Direct Access Program, or (iv) serves as a Scheduling Coordinator pursuant to SRP's Direct Access Program.~~ This term is used in the Part I Common Service Provisions to include customers receiving Transmission Service under Parts II, and III and IV of this Tariff.

4.1091.112 Transmission Customer Base Schedule

An energy schedule that provides Transmission Customer hourly-level Forecast Data and other information that is used by the SRP EIMWEIM Entity as the baseline by which to measure Imbalance Energy for purposes of EIMWEIM settlement. The term "Transmission Customer Base Schedule" as used in this Tariff may refer collectively to the four components of such schedule (load, resource, Intrachange, Interchange) determined pursuant to Section 4.2.4 of ATTACHMENT S or any individual components of such schedule.

4.1101.113 Transmission Provider

SRP (or its Designated Agent) that owns, controls, or operates facilities used for the transmission of electric energy in interstate commerce and provides Transmission Service under this Tariff.

1.114 Transmission Reliability Margin

Transmission Reliability Margin or TRM means the amount of transmission transfer capability necessary to provide reasonable assurance that the interconnected transmission network will be secure.

4.1111.115 Transmission Service

Transmission Service provided under Parts II, or ~~III or IV~~ of this Tariff on a firm or non-firm basis.

4.1121.116 Transmission Service Request

A request for Transmission Service under this Tariff.

4.1131.117 Transmission System

The facilities owned, controlled or operated by SRP that are used to provide Transmission Service.

4.1141.118 Umbrella Service Agreement

An executed agreement allowing a Transmission Customer to purchase available Transmission Service from SRP in amounts and for prices set forth in SRP's Schedules attached to this Tariff, for a term of less than one year in length.

1.119 Unconstrained Posted Path

Any posted path not determined to be a Constrained Posted Path.

4.1151.120 Uninstructed Imbalance Energy (UIE)

For SRP ~~EIM~~WEIM Participating Resources and Non-Participating Resources in an ~~EIM~~WEIM Entity BAA, the MO calculates UIE as either: (i) the algebraic difference between the resource's 5-minute meter data and the resource component of the Transmission Customer Base Schedule, or, if applicable; (ii) the algebraic difference between the 5-minute meter data and any Manual Dispatch, ~~EIM~~WEIM Available Balancing Capacity dispatch or FMM schedules. For Transmission Customers with a load in the SRP ~~EIM~~WEIM Entity's BAA, the MO calculates UIE as the algebraic difference between the Transmission Customer's actual hourly load and the Transmission Customer Base Schedule.

4.1161.121 Variable Energy Resources

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

4.1171.122 Valley Network

A network of transmission facilities owned by SRP that spans the greater Phoenix metropolitan region as identified in SRP's Business Practice. All transmission facilities comprising the Valley Network are at voltage 230 kV and lower.

4.1181.123 Valley Network Gate

One or more interfaces of the Valley Network with other SRP transmission facilities or adjacent transmission systems as identified in SRP's Business Practice.

4.1191.124 WECC

The Western Electricity Coordinating Council or its successor entity.

4.1201.125 ~~Western~~ Energy Imbalance Market (~~EIM~~WEIM)

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

4.1241.126 ~~EIM~~WEIM Area

The combination of the CAISO BAA and the BAAs of all ~~EIM~~WEIM Entities.

4.1221.127 ~~EIM~~WEIM Available Balancing Capacity

Any upward or downward capacity from an SRP ~~EIM~~WEIM Participating Resource or an SRP ~~EIM~~WEIM Non-Participating Resource that the SRP ~~EIM~~WEIM Entity Scheduling Coordinator has identified in the SRP ~~EIM~~WEIM Entity's Resource Plan as available to address power balance and transmission constraints in the SRP BAA. ~~EIM~~WEIM Available Balancing Capacity includes capacity from a BAAR that SRP has a right to, by virtue of ownership or a voluntary contractual arrangement, which has not been bid into ~~the EIM~~WEIM and is included in the SRP ~~EIM~~WEIM Entity's Resource Plan.

4.1231.128 ~~EIM~~WEIM Entity

A BA that enters into the MO's ~~EIM~~WEIM Entity Agreement to enable the operation of the ~~EIM~~WEIM in its BAA.

4.1241.129 ~~EIM~~WEIM Transfer

The transfer of real-time energy resulting from an ~~EIM~~WEIM Dispatch Instruction: (i) between the SRP BAA and the CAISO BAA; (ii) between the SRP BAA and another ~~EIM~~WEIM Entity BAA; or (iii) between the CAISO BAA and an ~~EIM~~WEIM Entity BAA using transmission capacity available in the ~~EIM~~WEIM.

2. ~~Initial Allocation~~Continuation of Service and Renewal Procedures

2.1 ~~Reservation~~Continuation of Service for Existing Firm Service Customers

Subject to the Service Agreement term limitations in Sections 13.1 and 27.1,
~~E~~xisting Firm Transmission Service customers with a contract term of three (3)

years (wholesale requirements and transmission-only, ~~with a contract term of three (3) years~~), have the right to continue to take Firm Transmission Service from SRP when the contract expires, rolls over or is renewed; ~~provided, however, To exercise such right, the existing Firm Transmission Service customer must submit a request to renew its Firm Transmission Service to SRP at least one (1) year prior to the last day of the Service Agreement term. If SRP grants the request to renew, the term of the renewed Service Agreement cannot exceed three (3) years and the renewed Service Agreement must have a term of three (3) years to maintain the right to roll over or renew the renewed Service Agreement.~~

2.2 Competing Requests

This transmission reservation priority is independent of whether the existing Firm Transmission Service customer continues to purchase capacity and energy from SRP or elects to purchase capacity and energy from another supplier. If at the end of the contract term, SRP's Transmission System cannot accommodate all of the requests for transmission service, the existing Firm Transmission Service customer must agree to accept a contract term for three (3) years at a price at least equal to that offered by a new Eligible Customer requesting service for a three (3) year term, up to the current maximum rate, as approved by SRP's Board of Directors, provided that, the Firm Transmission Service customer shall have a right of first refusal at the end of such service only if the new contract is for three (3) years. The existing Firm Transmission Service customer must provide notice to SRP whether it will exercise its right of first refusal no less than one (1) year prior to the expiration date of its transmission Service Agreement. This transmission reservation priority for existing Firm Transmission Service customers is an ongoing right that may be exercised at the end of all transmission Service Agreements with a contract term of three (3) years.

3. Ancillary Services

Ancillary Services are needed with transmission service to maintain reliability within and among the Balancing Authority Areas affected by the transmission service. SRP is required to provide (or offer to arrange with the local Balancing Authority as discussed below), and all Transmission Customers are required to purchase, the following Ancillary Services: (i) Scheduling, System Control and Dispatch Service (SCHEDULE 1); (ii) ~~EIM/WEIM~~ Administrative Service (SCHEDULE 1-A); and (iii) Reactive Supply and Voltage Control from Generation or Other Sources Service (SCHEDULE 2). All Transmission Customers also must pay SRP for Real Power Loss Service in accordance with Schedule 10.

SRP is required to offer to provide (or offer to arrange with the local Balancing Authority as discussed below) the following Ancillary Services to the Transmission Customer serving load within SRP's Balancing Authority Area: (i) Regulation and Frequency Response Service (SCHEDULE 3); (ii) Energy Imbalance Service (SCHEDULE 4 or SCHEDULE 4-A); (iii) Operating Reserve – Spinning Reserve Service (SCHEDULE 5); and (iv) Operating Reserve – Supplemental Reserve Service (SCHEDULE 6). The Transmission Customer serving load or scheduling to serve load within SRP's Balancing Authority Area is required to acquire these Ancillary Services, whether from SRP, from a third party, or by self-supply.

In addition, SRP is required to offer to provide (or offer to arrange with the local Balancing Authority) the following Ancillary Services to the Transmission Customer when Transmission Service is used for sales and exports from generation located within the metered boundaries of SRP's Balancing Authority Area: (i) Regulation and Frequency Response Service (SCHEDULE 3); (ii) Operating Reserve – Spinning Reserve Service (SCHEDULE 5); and (iii) Operating Reserve – Supplemental Reserve Service (SCHEDULE 6). The Transmission Customer using Transmission Service for sales and exports from generation located within the metered boundaries of SRP's Balancing Authority Area is required to acquire these Ancillary Services, whether from SRP, from a third party, or by self-supply.

SRP is further required to offer to provide (or offer to arrange with the local Balancing Authority) Generator Imbalance Service and the Transmission Customer is required to purchase Generator Imbalance Service in accordance with SCHEDULE 9 or SCHEDULE 9-A, as applicable.

The Transmission Customer may not decline SRP's offer of Ancillary Services unless it demonstrates that it has acquired the Ancillary Services from another source. The Transmission Customer must list in its Application which Ancillary Services it will purchase from SRP. A Transmission Customer that exceeds its firm reserved capacity at any Point of Receipt or Point of Delivery or an Eligible Customer that uses Transmission Service at a Point of Receipt or Point of Delivery that it has not reserved is required to pay for all of the Ancillary Services identified in this Section that were provided by SRP associated with the unreserved service. The Transmission Customer or Eligible Customer will pay for Ancillary Services based on the amount of Transmission Service it used but did not reserve.

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

SRP shall specify the rate treatment and all related terms and conditions in the event of an unauthorized use of Ancillary Services by the Transmission Customer.

The specific Ancillary Services, prices and/or compensation methods are described on the Schedules that are attached to and made a part of the Tariff. Three principal requirements apply to discounts for Ancillary Services provided by SRP in conjunction with its provision of Transmission Service as follows: (i) any offer of a discount made by SRP must be announced to all Eligible Customers solely by posting on the OASIS, (ii) any customer-initiated requests for discounts (including requests for use by one's wholesale merchant or an Affiliate's use) must occur solely by posting on the OASIS, and (iii) once a discount is negotiated, details must be immediately posted on the OASIS. A discount agreed upon for an Ancillary Service must be offered for the same period to all Eligible Customers on SRP's Transmission System. Sections 3.1 through 3.9 below list the Ancillary Services, along with the required ~~EMWEIM~~ Administrative Service and Real Power Loss Service. Notwithstanding the foregoing, SRP will not require the Transmission Customer to

purchase any Ancillary Service from SRP for Transmission Service on portions of the SRP Transmission System located in another Balancing Authority Area where that Balancing Authority requires the Transmission Customer to purchase such Ancillary Services directly from that Balancing Authority.

3.1 Scheduling, System Control and Dispatch Service

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

3.2 ~~EIM~~WEIM Administrative Service

The rates and/or methodology are described in SCHEDULE 1-A.

3.3 Reactive Supply and Voltage Control from Generation or Other Sources Service

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

3.4 Regulation and Frequency Response Service

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

3.5 Energy Imbalance Service

Where applicable, the rates and/or methodology are described in SCHEDULE 4 or SCHEDULE 4-A.

3.6 Operating Reserve - Spinning Reserve Service

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

3.7 Operating Reserve - Supplemental Reserve Service

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

3.8 Generator Imbalance Service

Where applicable, the rates and/or methodology are described in SCHEDULE 9 or SCHEDULE 9-A.

3.9 Real Power Loss Service

The rates and/or methodology are described in SCHEDULE 10.

4. Open Access Same-Time Information System (OASIS)

The terms and conditions regarding Open Access Same-Time Information System and SRP's standards of conduct as approved by the SRP Board of Directors are posted on the OASIS. In the event available transfer capability as posted on the OASIS is insufficient to accommodate a request for Firm Transmission Service, additional studies may be required as provided by this Tariff pursuant to Sections 19, and 31 ~~and 39~~.

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

5. Tax-Exempt Financing

- 5.1** Notwithstanding any other provision of this Tariff, SRP shall not be required to provide Transmission Service to an Eligible Customer under this Tariff unless it has obtained a written opinion of nationally-recognized bond counsel selected by SRP that reaches an unqualified conclusion that the requested service would not: (i) impair the exclusion from gross income for federal income tax purposes of interest paid or to be paid on any debt issued by or for the benefit of SRP; or (ii) impair the deductibility of interest expense associated with interest paid or to be paid on any such tax-exempt debt (hereafter referred to as an "Impairment").
- 5.2** SRP has financed (and may continue to finance) capital improvements to its electric transmission facilities with proceeds of tax-exempt debt and, therefore, consistent with federal tax regulations governing private business use of facilities funded by proceeds of tax-exempt debts, SRP limits all Transmission Service Agreements to a maximum of three (3) years. Transmission Service Agreements with terms in excess of three (3) years are deemed to create an Impairment requiring an opinion of bond counsel as provided in Section 5.1 of this Tariff.
- 5.3** If SRP determines that provision of Transmission Service requested by an Eligible Customer would create an Impairment, it shall advise the Eligible Customer within thirty (30) days of receipt of the Completed Application. Upon receipt of such notice, the Eligible Customer may direct SRP to seek an unqualified opinion of bond counsel described in Section 5.1 of this Tariff. In such case SRP shall attempt in good faith to obtain the requested bond counsel opinion. All reasonable costs related to obtaining such bond counsel opinion shall be paid by the Eligible Customer.
- 5.4** If SRP determines that an Impairment exists but: (i) the Impairment can be eliminated if steps are taken in connection with tax-exempt debt issued by or for the benefit of SRP; (ii) SRP determines that the costs of eliminating the Impairment can be determined with reasonable accuracy; and (iii) the Eligible Customer agrees to pay all reasonable costs related to elimination of such Impairment, then SRP shall take all reasonable steps to eliminate the Impairment. If the Impairment can be eliminated, SRP shall endeavor to determine with reasonable accuracy the lowest cost method of eliminating the Impairment. Among other things, such costs shall include: (i) SRP's increased financing costs associated with the inclusion in gross income for federal income tax purposes of interest on any debt to be issued

by or for the benefit of SRP; or (ii) any increased income tax liability of SRP resulting from the loss of deductibility of interest expense associated with interest on any tax-exempt debt issued or to be issued by or for the benefit of SRP. If SRP has been unable to obtain an approving opinion of bond counsel; or if SRP is unable to determine the costs of eliminating the Impairment with reasonable accuracy, then SRP's obligation to provide the requested service pursuant to this Tariff shall be discharged. However, in such case, the Eligible Customer may request the Commission to order SRP to provide the requested Transmission Service under Sections 211 and 213 of the Federal Power Act.

- 5.5** Any dispute between SRP and the Eligible Customer as to the existence of an Impairment shall not be subject to the dispute resolution provisions of Section 12 of this Tariff.

6. Reciprocity

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

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

Notwithstanding the provisions of this Tariff and the Schedules and Attachments hereto, SRP is not required to provide or offer any service that SRP determines, in its sole discretion, it is incapable of providing.

7. Billing and Payment

7.1 Billing Procedure

Except as provided in Section 7.4, within a reasonable time after service is provided, SRP shall submit an invoice to the Transmission Customer for the charges for all services furnished under this Tariff during the preceding month. Notwithstanding the prior sentence, SRP may submit invoices for periods of less than a full month. The invoice shall be paid by the Transmission Customer within twenty (20) days of receipt. All payments shall be made in immediately available funds payable to SRP, or by wire transfer to a bank named by SRP.

7.2 Payments by Mail

When payments are made by mail, bills shall be considered as having been paid on the date of receipt by SRP.

7.3 Transmission Customer Default

In the event the Transmission Customer fails, for any reason other than a billing dispute as described below, to make payment to SRP on or before the due date as described above, and such failure of payment is not corrected within ten (10) days after SRP notifies the Transmission Customer to cure such failure, a default by the Transmission Customer shall be deemed to exist. Upon the occurrence of a default, SRP may provide written notice to the Transmission Customer of its intent to terminate service thirty (30) days from the written notice of termination. If within seven (7) days of its receipt of SRP's notice of termination the Transmission Customer does not submit a written request to SRP to commence the dispute resolution procedures of Section 12 of this Tariff, then SRP may terminate service to the Transmission Customer on the date specified in SRP's notice of termination. If the Transmission Customer does make a timely written request to commence such dispute resolution procedures, then Section 12 of this Tariff shall apply. In the event of a billing dispute between SRP and the Transmission Customer, SRP will continue to provide service under the Service Agreement as long as the Transmission Customer: (i) continues to make all payments not in dispute; and (ii) pays into an independent escrow account the portion of the invoice in dispute, pending resolution of such dispute.

If the Transmission Customer fails to meet these two requirements for continuation of service, then SRP may provide notice to the Transmission Customer of its intention to suspend service in sixty (60) days.

~~Billing Procedures for SRP Direct Access Program Customers~~

~~SRP's Direct Access Program customers fall into two categories for billing purposes: (1) SRP's Direct Access Program retail customers; and (2) SRP's Direct Access Program Scheduling Coordinators.~~

~~SRP's Direct Access Program retail customers are billed for NITS and Ancillary Services included in Schedules 1, 1-A, and 2 on a staggered basis throughout the month. Bills are due and payable twenty one (21) days from the bill date.~~

~~SRP's Direct Access Program Scheduling Coordinators are billed for Ancillary Services in Schedules 3 through 6 as well as Generator Imbalance Service and Real Power Loss Service in Schedules 9 and 10 by SRP in accordance with SRP's Scheduling Coordinator Agreement, Attachment R to this Tariff. In September of each year, SRP will prepare a True-up and Settlement Payments Calendar for the following calendar year showing for each day energy is delivered the following information: (a) the date on which SRP will issue Preliminary Settlement Statements to the Scheduling Coordinators; (b) the date by which Scheduling Coordinators are required to notify SRP of any inquiries in relation to their Preliminary Settlement Statements; (c) the date on which SRP will issue final settlement statements to the Scheduling Coordinators; (d) the date and time by which Scheduling Coordinators are required to make payments of monthly invoices to the SRP clearing account; and (e) the date and time in which Scheduling Coordinators will receive payments from the SRP clearing account of amounts owed to them through the last transaction day of the trading month involved. Payments are due to or due from a Scheduling Coordinator on the sixty-fifth (65) day after the last trading day of the month.~~

8. Accounting for SRP's Use of the Tariff

SRP shall record the following amounts, as outlined below.

8.1 Transmission Revenues

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

8.2 Study Costs and Revenues

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

9. Tariff and Rate Changes

SRP may change the rates, terms and conditions, charges, classification of service, or Service Agreement under this Tariff pursuant to applicable law and approval by SRP's Board of Directors.

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

~~Emergency Deviations~~

~~Notwithstanding any other provision in this Tariff, in an Emergency, SRP, in its capacity as a Balancing Authority pursuant to Applicable Reliability Standards, may take whatever actions are necessary and may direct a Transmission Customer to take whatever actions are necessary to keep the system in operation. SRP shall post on its OASIS each Emergency that resulted in any deviation from this Tariff, within twenty-four (24) hours of such deviation.~~

9.10. Force Majeure, ~~Emergency Deviations~~, and Indemnification

9.10.1 Force Majeure

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

10.2 ~~Emergency Deviations~~

~~Notwithstanding any other provision in this Tariff, in an Emergency, SRP, in its capacity as a Balancing Authority pursuant to Applicable Reliability Standards, may take whatever actions are necessary and may direct a Transmission Customer to take whatever actions are necessary to keep the system in operation. SRP shall post on its OASIS each Emergency that resulted in any deviation from this Tariff, within twenty-four (24) hours of such deviation.~~

9.210.3 Indemnification

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

40.11. Creditworthiness

SRP will specify its creditworthiness procedures in ATTACHMENT L.

44.12. Dispute Resolution Procedures

44.12.1 Internal Dispute Resolution Procedures

Any dispute between a Transmission Customer and SRP involving Transmission Service under this Tariff (excluding applications for rate changes or other changes to the Tariff, or to any Service Agreement entered into under this Tariff, which shall be presented directly to SRP's Board of Directors for resolution, and excluding disputes described in Sections 5.5 and 12.5 and ATTACHMENT K of this Tariff) shall be referred to a designated senior representative of SRP and a senior representative of the Transmission Customer for resolution on an informal basis as promptly as practicable. In the event the designated representatives are unable to resolve the dispute within thirty (30) days (or such other period as the Parties may agree upon), such dispute may be submitted by mutual agreement to arbitration and resolved in accordance with the arbitration procedures set forth below.

44.12.2 External Arbitration Procedures

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

44.12.3 Arbitration Decisions

Unless otherwise agreed, the arbitrator(s) shall render a decision within ninety (90) days of appointment and shall notify the Parties in writing of such decision and the reasons thereof. 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.

44.12.4 Costs

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

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

11.5.12.5 ~~EIM~~WEIM Disputes

11.5.12.5.1 Disputes between the SRP ~~EIM~~WEIM Entity and a Transmission Customer or Interconnection Customer Related to Allocation of Charges or Payments from the MO

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

11.5.12.5.2 Disputes between MO and SRP ~~EIM~~WEIM Participating Resource Scheduling Coordinators Related to ~~EIM~~WEIM Charges and Payments Directly From the MO

Disputes involving settlement statements between the MO and SRP ~~EIM~~WEIM Participating Resource Scheduling Coordinators shall be resolved ~~in accordance with the settlement dispute process outlined in the~~ directly with the MO in accordance with the dispute resolution process outlined in the MO Tariff and in the CAISO's Business Practice Manual for Settlements and Billing. A Transmission Customer with an SRP ~~EIM~~WEIM Participating Resource shall provide notice to the SRP ~~EIM~~WEIM Entity if it raises a dispute with the MO, and such notice shall be provided in accordance with the process set forth in SRP's ~~EIM~~WEIM Business Practice. Late disputes will be rejected, including any dispute notification to SRP that is provided less than sixty (60) days prior to the final dispute deadline of the MO.

11.5.12.5.3 Disputes between the MO and the SRP ~~EIM~~WEIM Entity

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

11.5.12.5.4 Disputes Regarding MO Charges or Payments to the ~~EIM~~WEIM Entity Raised by Transmission Customers or Interconnection Customers

To the extent a dispute arises regarding a MO charge or a MO payment to the SRP ~~EIM~~WEIM Entity that is subsequently charged or paid by the SRP ~~EIM~~WEIM Entity to a Transmission Customer or an Interconnection

Customer, and such Transmission Customer or Interconnection Customer wishes to raise a dispute with the MO, if the dispute is timely raised the SRP ~~EMWEIM~~ Entity shall file a dispute on behalf of such Transmission Customer or Interconnection Customer in accordance with the MO Tariff and work with the Transmission Customer or the Interconnection Customer to resolve the dispute pursuant to the process specified in the MO Tariff. Timelines associated with settlement disputes are found the MO Tariff and in the CAISO Business Practice Manual for Settlements and Billing, and as set forth in the SRP ~~EMWEIM~~ Business Practice. Late disputes raised by a Transmission Customer or Interconnection Customer will be rejected, including any dispute notification to SRP that is provided less than sixty (60) days prior to the final dispute deadline of the MO.

~~Additional Dispute Resolution Procedures Under SRP's Direct Access Program~~

~~In addition to the procedures provided in Section 12.1 through 12.4 of this Tariff, the procedures provided in the Scheduling Coordinator Agreement for the resolution of disputes with the assistance of an Independent Auditor, will apply to Scheduling Coordinators serving retail customers participating in SRP's Direct Access Program.~~

II. POINT-TO-POINT TRANSMISSION SERVICE

Preamble

SRP will provide Firm and Non-Firm Point-to-Point Transmission Service pursuant to the applicable terms and conditions of this Tariff; ~~provided, however, that Point-to-Point Transmission Service shall not be available during Phase I of SRP's Direct Access Program to Direct Access Program customers and their Scheduling Coordinators from SRP's Valley Network Gate into SRP's retail service area.~~ Point-to-Point Transmission Service is for the receipt of capacity and energy at designated Point(s) of Receipt and the transfer of such capacity and energy to designated Point(s) of Delivery.

13. Nature of Firm Point-to-Point Transmission Service

13.1 Term

~~In accordance with Section 5 of this Tariff, The minimum term of~~ Firm Point-to-Point Transmission Service ~~shall be limited to a minimum term of~~ one hour and ~~the a~~ maximum term ~~of three (3) years. The termination date~~ shall be specified in the Service Agreement.

13.2 Reservation Priority

- (i) Long-Term Firm Point-to-Point Transmission Service shall be available on a first-come, first-served basis, i.e., in the chronological sequence in which each Transmission Customer has reserved service.
- (ii) Reservations for Short-Term Firm Point-to-Point Transmission Service will be conditional based upon the length of the requested transaction or reservation. However, Pre-Confirmed Applications for Short-Term Point-to-Point Transmission Service will receive priority over earlier-submitted requests that are not Pre-Confirmed and that have equal or shorter duration. Among requests or reservations with the same duration and, as relevant, pre-confirmation status (Pre-Confirmed, confirmed or not confirmed), priority will be given to an Eligible Customer's request or reservation that offers the highest price, followed by the date and time of the request or reservation.
- (iii) If the Transmission System becomes oversubscribed, requests for service may preempt competing reservations up to the following conditional reservation deadlines: one hour before the commencement of hourly service, one day before the commencement of daily service, one week before the commencement of weekly service, and one month before the commencement of monthly service. Before the conditional reservation deadline, if available transfer capability is insufficient to satisfy all requests and reservations, an Eligible Customer with a reservation for shorter term service or equal duration service and lower price has the right of first refusal to match any longer term request or equal duration service with a higher price before losing its reservation priority. A longer term competing request for Short-Term Firm Point-to-Point Transmission Service will be granted if

the Eligible Customer with the right of first refusal does not agree to match the competing request within twenty-four (24) hours (or earlier if necessary to comply with the scheduling deadlines provided in Section 13.8) from being notified by SRP of a longer-term competing request for Short-Term Firm Point-to-Point Transmission Service. When a longer duration request preempts multiple shorter duration reservations, the shorter duration reservations shall have simultaneous opportunities to exercise the right of first refusal. Duration, price and time of response will be used to determine the order by which the multiple shorter duration reservations will be able to exercise the right of first refusal. After the conditional reservation deadline, service will commence pursuant to the terms of Part II of the Tariff.

- (iv) Firm Point-to-Point Transmission Service will always have a reservation priority over Non-Firm Point-to-Point Transmission Service under this Tariff. All Long-Term Firm Point-to-Point Transmission Service will have equal reservation priority with Native Load Customers, and Network Customers, ~~and GTS Customers~~. Reservation priorities for existing firm service customers are provided in Section 2.1.

13.3 Use of Firm Point-to-Point Transmission Service by SRP

SRP will be subject to the rates, terms and conditions of Part II ~~or IV~~ of the Tariff when making Third-Party Sales under agreements executed on or after the effective date of this Tariff. SRP will maintain separate accounting, pursuant to Section 8, for any use of Point-to-Point Transmission Service to make Third-Party Sales.

13.4 Service Agreements

SRP shall offer a standard form of Service Agreement for Point-to-Point Transmission Service (ATTACHMENT A or ATTACHMENT B, as applicable) to an Eligible Customer that submits a Completed Application subject to the availability of transmission capability. An Eligible Customer that uses Transmission Service at a Point of Receipt or Point of Delivery that it has not reserved and that has not executed a Service Agreement will be deemed, for purposes of assessing any appropriate charges and penalties, to have executed the appropriate Service Agreement. The Service Agreement shall, when applicable, specify any conditional curtailment options selected by the Transmission Customer. Where the Service Agreement contains conditional curtailment options and is subject to a biennial reassessment as described in Section 15.4, SRP shall provide the Transmission Customer notice of any changes to the curtailment conditions no less than ninety (90) days prior to the date for imposition of new curtailment conditions. Concurrent with such notice, SRP shall provide the Transmission Customer with the reassessment study and a narrative description of the study, including the reasons for changes to the number of hours per year or System Conditions under which conditional curtailment may occur.

13.5 Transmission Customer Obligations for Facility Additions or Redispatch Costs

In cases where SRP determines that the Transmission System is not capable of providing Firm Point-to-Point Transmission Service without: (i) degrading or impairing the reliability of service to Native Load Customers or Transmission Customers taking Firm Transmission Service; or (ii) interfering with SRP's ability to meet prior firm contractual commitments to others, SRP will be obligated to expand or upgrade its Transmission System pursuant to the terms of Section 15.4. The Transmission Customer must agree to compensate SRP for any necessary transmission facility additions pursuant to the terms of Section 26. To the extent SRP can relieve any system constraint by redispatching SRP's resources, without adversely affecting Native Load Customers or Transmission Customers taking Firm Transmission Service, it shall do so, provided that the Eligible Customer agrees to compensate SRP pursuant to the terms of Section 26 and agrees to either (i) compensate SRP for any necessary transmission facility additions or (ii) accept the service subject to a biennial reassessment by SRP of redispatch requirements as described in Section 15.4. Any redispatch, Network Upgrade or Direct Assignment Facilities costs to be charged to the Transmission Customer on an incremental basis under this Tariff will be specified in the Service Agreement prior to initiating service.

13.6 Curtailment of Firm Point-to-Point Transmission Service

In the event that a Curtailment on SRP's Transmission System, or a portion thereof, is required to maintain reliable operation of such system and the systems directly and indirectly interconnected with SRP's Transmission System, Curtailments will be made on a non-discriminatory basis to the transaction(s) that effectively relieve the constraint. SRP may elect to implement such Curtailments according to the procedures specified in ATTACHMENT J. If multiple transactions require Curtailment, to the extent practicable and consistent with Good Utility Practice, SRP will curtail service to Network Customers and Transmission Customers taking Firm Point-to-Point Transmission Service ~~or GITS~~ on a basis comparable to the curtailment of service to SRP's Native Load Customers. All Curtailments will be made on a non-discriminatory basis, however, Non-Firm Point-to-Point Transmission Service shall be subordinate to Firm Transmission Service. Long-Term Firm Point-to-Point Transmission Service ~~and GITS~~ subject to conditions described in Sections 15.4 ~~and 36.4~~ shall be curtailed with secondary service in cases where the conditions apply, but otherwise will be curtailed on a pro rata basis with other Firm Transmission Service. When SRP determines that an electrical emergency exists on its Transmission System and implements emergency procedures to Curtail Firm Transmission Service, the Transmission Customer shall make the required reductions upon request of SRP. However, SRP reserves the right to Curtail, in whole or in part, any Firm Transmission Service provided under the Tariff when, in SRP's sole discretion, an Emergency or other unforeseen condition impairs or degrades the reliability of its Transmission System. SRP will notify all affected Transmission Customers in a timely manner of any scheduled Curtailments. SRP shall take reasonably necessary measures to ensure reliability in SRP's BAA in accordance with Section 6 of ATTACHMENT S.

13.7 Classification of Firm Point-to-Point Transmission Service

- (i) The Transmission Customer taking Firm Point-to-Point Transmission Service may: (i) change its Points of Receipt and Points of Delivery to obtain service on a non-firm basis consistent with the terms of Section 22.1; or (ii) request a modification of the Points of Receipt or Points of Delivery on a firm basis pursuant to the terms of Section 22.2.
- (ii) The Transmission Customer may purchase Point-to-Point Transmission Service to make sales of capacity and energy from multiple generating units that are on SRP's Transmission System. For such a purchase of Transmission Service, the resources will be designated as multiple Points of Receipt, unless the multiple generating units are at the same generating plant or the multiple generating units are connected to the Palo Verde/Hassayampa Common Bus, in either case, the units would be treated as a single Point of Receipt. Similarly, the Palo Verde/Hassayampa Common Bus will be treated as a single Point of Receipt and single Point of Delivery for transactions scheduled to or from the Palo Verde/Hassayampa Common Bus.
- (iii) SRP shall provide firm deliveries of capacity and energy from the Point(s) of Receipt to the Point(s) of Delivery. Each Point of Receipt at which firm transfer capability is reserved by the Transmission Customer shall be set forth in the Firm Point-to-Point Service Agreement for Long-Term Firm Point-to-Point Transmission Service along with a corresponding capacity reservation associated with each Point of Receipt. Points of Receipt and corresponding capacity reservations shall be as mutually agreed upon by the Parties for Short-Term Firm Point-to-Point Transmission Service. Each Point of Delivery at which firm transfer capability is reserved by the Transmission Customer shall be set forth in the Firm Point-to-Point Service Agreement for Long-Term Firm Point-to-Point Transmission Service along with a corresponding capacity reservation associated with each Point of Delivery. Points of Delivery and corresponding capacity reservations shall be as mutually agreed upon by the Parties for Short-Term Firm Point-to-Point Transmission Service. The greater of either: (i) the sum of the capacity reservations at the Point(s) of Receipt, or (ii) the sum of the capacity reservations at the Point(s) of Delivery shall be the Transmission Customer's Reserved Capacity. The Transmission Customer will be billed for its Reserved Capacity under the terms of SCHEDULE 7. The Transmission Customer may not exceed its firm capacity reserved at each Point of Receipt and each Point of Delivery except as otherwise specified in Section 22. SRP shall specify the rate treatment and all related terms and conditions applicable in the event that a Transmission Customer (including Third-Party Sales by SRP) exceeds its firm Reserved Capacity at any Point of Receipt or Point of Delivery or uses Transmission Service at a Point of Receipt or Point of Delivery that it has not reserved.

13.8 Scheduling of Firm Point-to-Point Transmission Service

Schedules for the Transmission Customer's Firm Point-to-Point Transmission Service must be submitted to SRP no later than 3:00 p.m. Pacific Prevailing Time (PPT) of the day prior to commencement of such service. Schedules submitted after 3:00 p.m. PPT of the day prior to commencement of such service will be accommodated, if practicable. Hourly and intra-hour (four intervals consisting of fifteen minute schedules) schedules of any capacity and energy that is to be delivered must be stated in increments of 1,000 kW per hour. Transmission Customers within SRP's service area with multiple requests for Transmission Service at a Point of Receipt, each of which is under 1,000 kW per hour, may consolidate their service requests at a common Point of Receipt into units of 1,000 kW per hour for scheduling and billing purposes. Scheduling changes and new schedules will be permitted up to twenty (20) minutes before the start of the next scheduling interval provided that the Delivering Party and Receiving Party also agree to the schedule modification, subject to the settlement provisions contained in ATTACHMENT S. SRP will furnish to the Delivering Party's system operator, schedules equal to those furnished by the Receiving Party and shall deliver the capacity and energy provided by such schedules. Should the Transmission Customer, Delivering Party or Receiving Party revise or terminate any schedule, such party shall immediately notify SRP, and SRP shall have the right to adjust accordingly the schedule for capacity and energy to be received and to be delivered.

14. Nature of Non-Firm Point-to-Point Transmission Service

14.1 Term

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

14.2 Reservation Priority

Non-Firm Point-to-Point Transmission Service shall be available from transfer capability in excess of that needed for reliable service to Native Load Customers, Network Customers and other Transmission Customers taking Long-Term and Short-Term Firm Point-to-Point Transmission Service ~~or GTS~~. A higher priority will be assigned first to requests or reservations with a longer duration of service and second to Pre-Confirmed Applications. In the event the Transmission System is constrained, competing requests of the same pre-confirmation status and equal duration will be prioritized based on the highest price offered by the Eligible Customer for the Transmission Service. Eligible Customers that have already reserved shorter term service have the right of first refusal to match any longer term request before being preempted. A longer term competing request for Non-Firm Point-to-Point Transmission Service will be granted if the Eligible Customer

with the right of first refusal does not agree to match the competing request: (i) immediately for hourly Non-Firm Point-to-Point Transmission Service after notification by SRP; and (ii) within twenty-four (24) hours (or earlier if necessary to comply with the scheduling deadlines provided in Section 14.6) for Non-Firm Point-to-Point Transmission Service other than hourly transactions after notification by SRP. Transmission Service for Network Customers from resources other than Network Resources will have a higher priority than any Non-Firm Point-to-Point Transmission Service. Non-Firm Point-to-Point Transmission Service over secondary Point(s) of Receipt and Point(s) of Delivery will have the lowest reservation priority under the Tariff.

14.3 Use of Non-Firm Point-to-Point Transmission Service by SRP

SRP will be subject to the rates, terms and conditions of Part II ~~or IV~~ of this Tariff when making Third-Party Sales under agreements executed on or after the effective date of this Tariff. SRP will maintain separate accounting, pursuant to Section 8, for any use of Non-Firm Point-to-Point Transmission Service to make Third-Party Sales.

14.4 Service Agreements

SRP shall offer a standard form of Agreement for Short-Term Firm and Non-Firm Point-to-Point Transmission Service (ATTACHMENT A) to any Eligible Customer, upon request.

14.5 Classification of Non-Firm Point-to-Point Transmission Service

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

14.6 Scheduling of Non-Firm Point-to-Point Transmission Service

Schedules for Non-Firm Point-to-Point Transmission Service must be submitted to SRP no later than 3:00 p.m. PPT of the day prior to commencement of such service. Schedules submitted after 3:00 p.m. PPT of the day prior to commencement of such service will be accommodated, if practicable. Hourly and intra-hour (four intervals consisting of fifteen minute schedules) schedules of energy that is to be delivered must be stated in increments of 1,000 kW per hour. Transmission Customers within SRP's service area with multiple requests for

Transmission Service at a Point of Receipt, each of which is under 1,000 kW per hour, may consolidate their schedules at a common Point of Receipt into units of 1,000 kW per hour. Scheduling changes and new schedules will be permitted up to twenty (20) minutes before the start of the next scheduling interval provided that the Delivering Party and Receiving Party also agree to the schedule modification, subject to the settlement provisions contained in ATTACHMENT S. SRP will furnish to the Delivering Party's system operator, schedules equal to those furnished by the Receiving Party and shall deliver the capacity and energy provided by such schedules. Should the Transmission Customer, Delivering Party or Receiving Party revise or terminate any schedule, such party shall immediately notify SRP, and SRP shall have the right to adjust accordingly the schedule for capacity and energy to be received and to be delivered.

14.7 Curtailment or Interruption of Non-Firm Point-to-Point Transmission Service

SRP reserves the right to Curtail, in whole or in part, Non-Firm Point-to-Point Transmission Service provided under the Tariff for reliability reasons when an Emergency or other unforeseen condition threatens to impair or degrade the reliability of its Transmission System or the systems directly or indirectly interconnected with SRP's Transmission System. SRP may elect to implement such Curtailments according to the procedures specified in ATTACHMENT J. SRP reserves the right to Interrupt, in whole or in part, Non-Firm Point-to-Point Transmission Service provided under this Tariff in order to accommodate: (i) a request for Firm Transmission Service; (ii) a request for Non-Firm Point-to-Point Transmission Service of greater duration; (iii) a request for Non-Firm Point-to-Point Transmission Service of equal duration with a higher price; (iv) Transmission Service for Network Customers from non-designated Network Resources; or (iv) Transmission Service for Firm Point-to-Point Transmission Service ~~or GTS~~ during conditional curtailment periods as described in Sections ~~15.4 and 36.4~~. SRP also will discontinue or reduce service to the Transmission Customer to the extent that deliveries for transmission are discontinued or reduced at the Point(s) of Receipt. Where required, Curtailments or Interruptions will be made on a non-discriminatory basis to the transaction(s) that effectively relieve the constraint; however, Non-Firm Point-to-Point Transmission Service shall be subordinate to Firm Transmission Service. If multiple transactions require Curtailment or Interruption, to the extent practicable and consistent with Good Utility Practice, Curtailments or Interruptions will be made to transactions of the shortest term (e.g., hourly non-firm transactions will be Curtailed or Interrupted before daily non-firm transactions and daily non-firm transactions will be Curtailed or Interrupted before weekly non-firm transactions). Transmission Service for Network Customers from resources other than designated Network Resources will have a higher priority than any Non-Firm Point-to-Point Transmission Service under this Tariff. Non-Firm Point-To-Point Transmission Service over secondary Point(s) of Receipt and Point(s) of Delivery will have a lower priority than any Non-Firm Point-to-Point Transmission Service under this Tariff. SRP will provide advance notice of Curtailment or Interruption where such notice can be provided consistent with Good Utility Practice. SRP will take reasonably necessary measures to ensure reliability in SRP's BAA in accordance with Section 6 of ATTACHMENT S.

15. Service Availability

15.1 General Conditions

SRP will provide Point-to-Point Transmission Service over, on or across its Transmission System to any Transmission Customer that has met the requirements of Section 16.

15.2 Determination of Available Transfer Capability (ATC)

A description of SRP's specific methodology for assessing available transfer capability is posted on SRP's OASIS as described in ATTACHMENT C of this Tariff. In the event sufficient transfer capability may not exist to accommodate a service request, SRP will respond by performing a System Impact Study, at Transmission Customer's expense, pursuant to Section 19.

15.3 Initiating Service in the Absence of an Executed Service Agreement

If SRP and the Transmission Customer requesting Firm or Non-Firm Point-to-Point Transmission Service cannot agree on all the terms and conditions of the Service Agreement, the Transmission Customer may submit the disputed terms and conditions pursuant to the dispute resolution procedures of Section 12 of this Tariff. SRP may, in its sole discretion, commence providing Transmission Service in compliance with this Tariff and all Applicable Reliability Standards to the Transmission Customer under an unexecuted Service Agreement containing terms and conditions deemed appropriate by SRP for such requested Transmission Service, subject to the Transmission Customer agreeing to: (i) compensate SRP at its current rate approved by SRP's Board of Directors; and (ii) comply with the terms and conditions of this Tariff including posting appropriate security deposits in accordance with the terms of Section 17.3.

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

- (i) If SRP determines that it cannot accommodate a Completed Application for Firm Point-to-Point Transmission Service because of insufficient capability on its Transmission System, SRP will use due diligence to expand or modify its Transmission System to provide the requested Firm Point-to-Point Transmission Service, consistent with its planning obligations in ATTACHMENT K, provided the Transmission Customer agrees to compensate SRP for such costs pursuant to the terms of Section 26. SRP will conform to Good Utility Practice and its planning obligations in ATTACHMENT K in determining the need for new facilities and in the design and construction of such facilities. The obligation applies only to those facilities that SRP has the right to expand or modify.
- (ii) If SRP determines that it cannot accommodate a Completed Application for Long-Term Firm Point-to-Point Transmission Service because of insufficient capability on its Transmission System, SRP will use due

diligence to provide redispatch from its own resources until: (i) Network Upgrades are completed for the Transmission Customer; (ii) SRP determines through a biennial reassessment that it can no longer reliably provide the redispatch; or (iii) the Transmission Customer terminates the service because of redispatch changes resulting from the reassessment. SRP shall not unreasonably deny self-provided redispatch or redispatch arranged by the Transmission Customer from a third party resource.

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

15.5 Deferral of Service

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

15.6 Other Transmission Service Schedules

Eligible Customers receiving Transmission Service from SRP under other agreements executed prior to July 9, 1996 may continue to receive Transmission Service under those agreements until such time as those agreements may be modified by mutual agreement of SRP and the Eligible Customer.

15.7 Real Power Losses

Real Power Losses are associated with all Transmission Service. The Transmission Customer is responsible for paying for losses associated with all Transmission Service as provided in SCHEDULE 10.

16. Transmission Customer Responsibilities

16.1 Conditions Required of Transmission Customers

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

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

16.2 Transmission Customer Responsibility for Third-Party Arrangements

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

17. Procedures for Arranging Firm Point-to-Point Transmission Service

17.1 Application

An Eligible Customer requesting Firm Point-to-Point Transmission Service for periods of one year or longer must submit a written Application in accordance with Section 17.2 via e-mail to SRP at the following email address: srpt@srpnet.com and via United States Postal Service to Director, Transmission and Generation Operations, SRP, PO Box 52025, POB 013, Phoenix, AZ 85072-2025, at least sixty (60) days in advance of the month in which service is to commence. SRP will consider requests for such firm service on shorter notice when feasible. Requests for firm service for periods of less than one year shall be subject to expedited

procedures that shall be negotiated between the Parties within the time constraints provided in Section 17.5. All Firm Point-to-Point Transmission Service requests also must be submitted by entering the information listed below on SRP's OASIS. This method will provide a time-stamped record for establishing the priority of the Application.

17.2 Completed Application

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

- (i) The identity, address, telephone number, e-mail address, and facsimile number of the entity requesting service;
- (ii) A statement that the entity requesting service is, or will be upon commencement of service, an Eligible Customer under this Tariff;
- (iii) The location of the Point(s) of Receipt and Point(s) of Delivery and, where available, the identities of the Delivering Parties and the Receiving Parties;
- (iv) Where available, the location of the generating facility(ies) supplying the capacity and energy and the location of the load ultimately served by the capacity and energy transmitted. SRP will treat this information as confidential except to the extent that disclosure of this information is required by this Tariff, by regulatory or judicial order, for reliability purposes pursuant to Good Utility Practice or pursuant to RTG transmission information sharing agreements. SRP shall treat this information consistent with SRP's standards of conduct modelled upon Part 37 of the Commission's regulations;
- (v) A description of the supply characteristics of the capacity and energy to be delivered;
- (vi) An estimate of the capacity and energy expected to be delivered to the Receiving Party;
- (vii) The Service Commencement Date and the term of the requested Transmission Service;
- (viii) The transmission capacity requested for each Point of Receipt and each Point of Delivery on SRP's Transmission System; customers may combine their requests for service in order to satisfy the minimum transmission capacity requirement;
- (ix) A statement indicating that, if the Eligible Customer submits a Pre-Confirmed Application, the Eligible Customer will execute a Service Agreement upon receipt of notification that SRP can provide the requested Transmission Service; and

- (x) Any additional information required by SRP's planning process established in ATTACHMENT K.

SRP shall treat this information consistent with SRP's standards of conduct modelled upon Part 37 of the Commission's regulations.

17.3 Deposit for Firm Point-to-Point Transmission Service

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

Regardless of the above, SRP may, on a non-discriminatory basis, waive the requirement that a deposit accompany an Application where the Eligible Customer has established its creditworthiness pursuant to Section 11 and ATTACHMENT L of this Tariff and is not in default in its obligations under this Tariff, as defined in Section 7.3 of this Tariff, at the time of the Application. The Eligible Customer shall compensate SRP for reasonable costs incurred in evaluating the Eligible Customer's creditworthiness.

17.4 Notice of Deficient Application

If an Application fails to meet the requirements of this Tariff, SRP shall notify the entity requesting service within twenty-one (21) days of receipt of the reasons for such failure. SRP will attempt to remedy minor deficiencies in the Application through informal communications with the Eligible Customer. If such efforts are unsuccessful, SRP shall return the Application, along with any deposit. Upon receipt of a new or revised Application that fully complies with the requirements of Part II of the Tariff, the Eligible Customer shall be assigned a new priority consistent with the date of the new or revised Application.

17.5 Response to a Completed Application

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

17.6 Execution of Service Agreement

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

17.7 Extensions for Commencement of Service

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

17.8 Completed Application for Participation in EIMWEIM using Firm Point-to-Point Transmission Service

A Transmission Customer that elects to participate in the EIMWEIM using a Service Agreement for Firm Point-to-Point Transmission Service in accordance

with ATTACHMENT S, shall submit a Completed Application for Firm Point-to-Point Transmission Service consistent with Section 17.1 and provide the information requested in Section 17.2.

18. Procedures for Arranging Non-Firm Point-to-Point Transmission Service

18.1 Application

Eligible Customers seeking Non-Firm Point-to-Point Transmission Service must submit a Completed Application in accordance with Section 18.2 to SRP via email at the following e-mail address: srpt@srpnet.com in addition to submitting the required information listed below on SRP's OASIS. This method will provide a time-stamped record for establishing the service priority of the Application.

18.2 Completed Application

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

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

In addition to the information specified above, when required to properly evaluate System Conditions, SRP also may ask the Transmission Customer to provide the following:

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

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

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

18.3 Deposit for Non-Firm Point-to-Point Transmission Service

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

Regardless of the above, SRP may, on a non-discriminatory basis, waive the requirement that a deposit accompany an Application where the Eligible Customer has established its creditworthiness pursuant to Section 11 and ATTACHMENT L of this Tariff and is not in default in its obligations under this Tariff, as defined in Section 7.3 of this Tariff, at the time of the Application. The Eligible Customer shall compensate SRP for reasonable costs incurred in evaluating the Eligible Customer's creditworthiness.

18.318.4 Reservation of Non-Firm Point-to-Point Transmission Service

Requests for monthly service shall be submitted no earlier than sixty (60) days before service is to commence; requests for weekly service shall be submitted no earlier than fourteen (14) days before service is to commence, requests for daily service shall be submitted no earlier than two (2) days before service is to commence, and requests for hourly service shall be submitted no earlier than ~~noon~~ 12:00 p.m. PPT the day before service is to commence. Requests for service received later than 3:00 p.m. PPT on the day prior to the day service is scheduled to commence will be accommodated if practicable.

18.418.5 Determination of Available Transfer Capability (ATC)

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

18.518.6 Completed Application for Participation in ~~EIM~~WEIM using Non-Firm Point-to-Point Transmission Service

A Transmission Customer that elects to participate in the ~~EIM~~WEIM using a Service Agreement for Non-Firm Point-to-Point Transmission Service in accordance with ATTACHMENT S, shall submit a Completed Application for Non-Firm Point-to-Point Transmission Service consistent with Section 18.1 and provide the information requested in Section 18.2.

19. Additional Study Procedures for Firm Point-to-Point Transmission Service Requests

19.1 Notice of Need for System Impact Study

After receiving a request for service, SRP shall determine on a non-discriminatory basis whether a System Impact Study is needed. A description of SRP's methodology for completing a System Impact Study is provided in ATTACHMENT E.

If SRP determines that a System Impact Study is necessary to accommodate the requested service, it shall inform the Eligible Customer, as soon as practicable. Once informed, the Eligible Customer shall, within ten (10) days notify SRP if it elects to have SRP study redispach or conditional curtailment as part of the System Impact Study. If notification is provided prior to tender of the System Impact Study Agreement, the Eligible Customer can avoid the costs associated with the study of these options. SRP shall within thirty (30) days of receipt of a Completed Application, tender a System Impact Study Agreement pursuant to which the Eligible Customer shall agree to reimburse SRP for performing the required System Impact Study. For a service request to remain a Completed Application, the Eligible Customer shall execute the System Impact Study Agreement and return it to SRP within fifteen (15) days. If the Eligible Customer elects not to execute the System Impact Study Agreement, its Application shall be deemed withdrawn and its deposit, pursuant to Section 17.3 or 18.3, shall be returned, less all costs reasonably incurred by SRP.

19.2 System Impact Study Agreement and Cost Reimbursement

- (i) The System Impact Study Agreement will clearly specify SRP's estimate of the actual cost and time for completion of the System Impact Study. In performing the System Impact Study, SRP shall rely, to the extent reasonably practicable, on existing transmission planning studies. The

Eligible Customer will not be assessed a charge for such existing studies; however, the Eligible Customer will be responsible for charges associated with any modifications to existing planning studies that are reasonably necessary to evaluate the impact of the Eligible Customer's request for service on the Transmission System. The Eligible Customer will be responsible for the payment of all actual study costs incurred by SRP. SRP will only perform the study, or portion thereof, upon receipt of funds from the Eligible Customer in an amount sufficient to fund the study work, or portion thereof. If SRP cannot continue, or complete, the study due to insufficiency of funds as paid in advance by the Eligible Customer, SRP will inform the Eligible Customer of the amount needed that must be paid by Eligible Customer within ten (10) days of receipt of SRP's Notice. Under no circumstances will SRP advance its own funds for any study work.

- (ii) If, in response to multiple Eligible Customers requesting service in relation to the same competitive solicitation, a single System Impact Study is sufficient for SRP to accommodate the requests for service, the costs of that study shall be pro-rated among the Eligible Customers.
- (iii) For System Impact Studies that SRP conducts on its own behalf, SRP shall record the cost of the System Impact Studies pursuant to Section 8.

19.3 System Impact Study Procedures

Upon receipt of an executed System Impact Study Agreement, SRP will use due diligence to complete the required System Impact Study within a ninety (90) day period. If SRP is unable to complete the System Impact Study in the allotted time period, SRP shall notify the Eligible Customer and provide an estimate of the time needed to reach a final determination along with an explanation of the reasons that additional time is required to complete the study. The System Impact Study shall identify: (i) any system constraints, identified with specificity by transmission element or flowgate; (ii) redispatch options (when requested by an Eligible Customer) including an estimate of the cost of redispatch; (iii) conditional curtailment options (when requested by an Eligible Customer) including the number of hours per year and the System Conditions during which conditional curtailment may occur; and (iv) additional Direct Assignment Facilities or Network Upgrades required to provide the requested service. For customers requesting the study of redispatch options, the System Impact Study shall: (i) identify all resources located within SRP's Balancing Authority Area that can significantly contribute toward relieving the system constraint; and (ii) provide a measurement of each resource's impact on the system constraint. If SRP possesses information indicating that any resource outside its Balancing Authority Area could relieve the constraint, it shall identify each such resource in the System Impact Study. In the event that SRP is unable to complete the required System Impact Study within such time period, it shall so notify the Eligible Customer and provide an estimated completion date along with an explanation of the reasons why additional time is required to complete the required studies. A copy of the completed System Impact Study and related work papers shall be made available to the Eligible Customer upon completion of the study. SRP will use the same due diligence in completing the System Impact Study for an Eligible Customer as it uses when completing

studies for itself. SRP shall notify the Eligible Customer upon completion of the System Impact Study if the Transmission System will be adequate to accommodate all or part of a request for service or that no costs are likely to be incurred for new transmission facilities or upgrades. In order for a request to remain a Completed Application, within fifteen (15) days of completion of the System Impact Study the Eligible Customer must execute a Service Agreement or the Application shall be deemed terminated and withdrawn.

19.4 Facilities Study Procedures

If a System Impact Study indicates that additions or upgrades to the Transmission System are needed to supply the Eligible Customer's service request, SRP, within thirty (30) days of the completion of the System Impact Study, shall tender to the Eligible Customer a Facilities Study Agreement pursuant to which the Eligible Customer shall agree to reimburse SRP for performing the required Facilities Study. The Eligible Customer will be responsible for the payment of all actual study costs incurred by SRP. SRP will only perform the study, or portion thereof, upon receipt of funds from the Eligible Customer in an amount sufficient to fund the study work, or portion thereof. If SRP cannot continue or complete the study due to insufficiency of funds as paid in advance by the Eligible Customer, SRP will notify the Eligible Customer of the amount needed that must be paid by Eligible Customer within ten (10) days of receipt of SRP's Notice. Under no circumstance will SRP advance its own funds for any study work. For a service request to remain a Completed Application, the Eligible Customer shall execute the Facilities Study Agreement and return it to SRP within fifteen (15) days. If the Eligible Customer elects not to execute the Facilities Study Agreement, its Application shall be deemed withdrawn and its deposit, pursuant to Section 17.3 or 18.3, shall be returned, less all costs reasonably incurred by SRP.

Upon receipt of an executed Facilities Study Agreement, SRP will use due diligence to complete the required Facilities Study within a ninety (90) day period. If SRP is unable to complete the Facilities Study in the allotted time period, SRP shall notify the Eligible Customer and provide an estimate of the time needed to reach a final determination along with an explanation of the reasons that additional time is required to complete the study. When completed, the Facilities Study will include a good faith estimate of: (i) the cost of Direct Assignment Facilities to be charged to the Eligible Customer; (ii) the Eligible Customer's appropriate share of the cost of any required Network Upgrades; and (iii) the time required to complete such construction and initiate the requested service. The Eligible Customer shall provide SRP with a reasonable form of security acceptable to SRP equivalent to the costs of new facilities or upgrades consistent with commercial practices as established by the Uniform Commercial Code. The Eligible Customer shall have thirty (30) days to execute a Service Agreement and provide the required security or the request will no longer be a Completed Application and shall be deemed terminated and withdrawn.

19.5 Facilities Study Modifications

Any change in design arising from inability to site or construct facilities as proposed will require development of a revised good faith estimate. New good faith estimates

also will be required in the event of new statutory or regulatory requirements that are effective before the completion of construction or other circumstances beyond the control of SRP that significantly affect the final cost of new facilities or upgrades to be charged to the Transmission Customer pursuant to the provisions of Part II of the Tariff.

19.6 Withdrawal of Transmission Service Request

The Eligible Customer may withdraw its request for service at any time by written notice to SRP. The Eligible Customer will be responsible for all study costs incurred by SRP on or prior to the date SRP receives such notice of withdrawal. SRP will refund to the Eligible Customer all advance payments minus actual costs incurred by SRP as soon as SRP has fully accounted for such costs under standard accounting practices, which shall not exceed one hundred twenty (120) days after SRP's receipt of Eligible Customer's written notice of withdraw of its Transmission Service request.

19.7 Due Diligence in Completing New Facilities

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

19.8 Partial Interim Service

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

19.9 Expedited Procedures for New Facilities

In lieu of the procedures set forth above, the Eligible Customer shall have the option to expedite the process by requesting SRP to tender at one time, together with the results of required studies, an "Expedited Service Agreement" pursuant to which the Eligible Customer would agree to compensate SRP for all costs incurred pursuant to the terms of the Tariff. In order to exercise this option, the Eligible Customer shall request in writing an expedited Service Agreement covering all of the above-specified items within thirty (30) days of receiving the results of the System Impact Study identifying needed facility additions or upgrades or costs incurred in providing the requested service. While SRP agrees to provide the Eligible Customer with its best estimate of the new facility costs and other charges that may be incurred, such estimate shall not be binding and the Eligible Customer must agree in writing to compensate SRP for all costs incurred pursuant to the

provisions of the Tariff. The Eligible Customer shall execute and return such an Expedited Service Agreement within fifteen (15) days of its receipt or the Eligible Customer's request for service will cease to be a Completed Application and will be deemed terminated and withdrawn.

20. Procedures if SRP is Unable to Complete New Transmission Facilities for Firm Point-to-Point Transmission Service

20.1 Delays in Construction of New Facilities

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

20.2 Alternatives to the Original Facility Additions

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

20.3 Refund Obligation for Unfinished Facility Additions

If SRP and the Transmission Customer mutually agree that no other reasonable alternatives exist and the requested service cannot be provided out of existing capability under the conditions of Part II of the Tariff, the obligation to provide the requested Firm Point-to-Point Transmission Service shall terminate and any deposit made by the Transmission Customer shall be returned. However, the Transmission Customer shall be responsible for all prudently incurred costs by SRP through the time construction was suspended.

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

21.1 Responsibility for Third-Party System Additions

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

21.2 Coordination of Third-Party System Additions

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

22. Changes in Service Specifications

22.1 Modifications on a Non-Firm Basis

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

- a. Service provided over Secondary Receipt and Delivery Points will be non-firm only, on an as-available basis and will not displace any firm or non-firm service reserved or scheduled by third-parties under the Tariff or by SRP on behalf of its Native Load Customers.
- b. The sum of all Firm and Non-Firm Point-to-Point Transmission Service provided to the Transmission Customer at any time pursuant to this Section

shall not exceed the Reserved Capacity in the relevant Service Agreement under which such services are provided.

- c. The Transmission Customer shall retain its right to schedule Firm Point-to-Point Transmission Service at the Receipt and Delivery Points specified in the relevant Service Agreement in the amount of its original capacity reservation.
- d. Service over Secondary Receipt and Delivery Points on a non-firm basis shall not require the filing of an Application for Non-Firm Point-to-Point Transmission Service under the Tariff. However, all other requirements of Part II of the Tariff (except as to transmission rates) shall apply to Transmission Service on a non-firm basis over Secondary Receipt and Delivery Points.

22.2 Modification on a Firm Basis

Any request by a Transmission Customer taking Firm Point-to-Point Transmission Service to modify Point(s) of Receipt and Point(s) of Delivery on a firm basis shall be treated as a temporary redirect, and at the end of the time of the temporary redirect the Transmission Customer will resume its original service rights on the Point(s) of Receipt and Point(s) of Delivery specified in its Service Agreement. At the Transmission Customer's election, a request to modify Point(s) of Receipt and Point(s) of Delivery on a firm basis may instead be treated as a permanent redirect in accordance with Section 17 of this Tariff. While such new request is pending, the Transmission Customer shall retain its priority for service at the existing firm Point(s) of Receipt and Point(s) of Delivery specified in its Service Agreement, including any right of first refusal as provided for in Section 2.1 of this Tariff. If SRP determines it can accommodate the new service request, including a right of first refusal for the Point(s) of Receipt and Point(s) of Delivery specified in the new request, Transmission Customer must accept service on the new Point(s) of Receipt and Point(s) of Delivery and all rights under the original Point(s) of Receipt and Point(s) of Delivery are permanently extinguished. If SRP is unable to offer a right of first refusal for the Point(s) of Receipt and Point(s) of Delivery specified in the new request, Transmission Customer may elect to take service on such new points as a temporary redirect, and at the end of the time of the temporary redirect, the Transmission Customer will resume its original service rights on the original Point(s) of Receipt and Point(s) of Delivery specified in its Service Agreement.

23. ~~ReSale~~ or ~~Assignment~~~~Transfer~~ of Transmission Service

23.1 ~~Procedures for Assignment or Transfer of~~~~Resale of Transmission~~ Service

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

SRP's OASIS to post transmission capacity available for resale but are not required to do so.

A resale includes the conveyance of all or part of the scheduling rights of a Reseller's Reserved Capacity to Assignee. A resale also may be for the full or partial term of the Reseller's Service Agreement. A resale must be reported on SRP's OASIS prior to the Assignee's commencement of service. Compensation and method of payment to the Reseller shall be at rates and terms negotiated and established by bilateral agreement between Reseller and the Assignee. SRP shall continue to bill the Reseller and the Reseller shall continue to pay the applicable transmission and ancillary service rates set forth in this Tariff and the Service Agreement. The Reseller shall remain liable for the performance of all other obligations under the Service Agreement, unless specifically agreed to by SRP and the Reseller through an amendment to the Service Agreement. The Assignee's use of Reseller's transmission service rights is subject to the terms and conditions of this Tariff.

23.2 Transfer of Transmission Service

For temporary or partialA Transmission Customer may transfers its Firm tTransmission sService rights under its Service Agreement, but only to another Eligible Customer (the Transferee) under this Tariff. The Transmission Customer that transfers it rights under its Service Agreement is hereafter referred to as the Transferor. Transferors may use SRP's OASIS to post transmission capacity available for transfer but are not required to do so. All transfers, whether partial or total transfers, require a new executed Service Agreement between SRP and Transferee, and a new transmission service reservation on OASIS prior to the commencement of service. Transferee, Transferor, and SRP must also execute a Transmission Service Transfer Agreement set forth in Attachment U, with SRP governing reassignments of transmission service prior to the date on which the reassigned service commences. SRP shall charge the Reseller, as appropriate, at the rates stated in the Reseller's Service Agreement with SRP or the associated OASIS schedules. After receiving payment from the Assignee, SRP will credit the Reseller with the price reflected in the Assignee's Service Agreement with SRP or the associated OASIS schedules. If the Assignee does not request any change in the Point(s) of Receipt or the Point(s) of Delivery, or a change in any other term or condition set forth in the original Service Agreement, the Assignee will receive the same services as did the Reseller and the priority of service for the Assignee will be the same as that of the Reseller. The Assignee will be subject to all terms and conditions of this Tariff. If the Assignee-Transferee requests a change in service, the reservation priority of service will be determined by SRP wants to modify the Point(s) of Receipt or Delivery, it must do so pursuant to Section 4322.2 of this Tariff after the transfer is completed.

23.2.1 Partial Transfer of Transmission Service

A partial transfer includes the conveyance of a portion of the rights and obligations of the Transferor's Reserved Capacity to a Transferee including, but not limited to, reservation priority rights under a Service Agreement. Upon a partial transfer, the Transferee assumes all

responsibilities and financial obligations of the Transferor owed to SRP in the Service Agreement for the portion of the Service Agreement transferred, without expanding any obligations owed by SRP, in whole or in part. Once the partial transfer is complete, SRP shall bill the Transferee, and the Transferee shall pay, the applicable transmission and ancillary service rates set forth in this Tariff or the Service Agreement for the portion of the Service Agreement transferred. In addition, SRP shall bill the Transferor, and the Transferor shall pay, the applicable transmission and ancillary service rates set forth in this Tariff or the Service Agreement for the portion of the Service Agreement that Transferor retains.

23.2.2 Total Transfer of Transmission Service

A total transfer includes the conveyance of all of the associated rights and obligations of the Transferor's Reserved Capacity to a Transferee, including, but not limited to, reservation priority rights under a Service Agreement. Upon transfer, Transferor assumes all responsibilities and financial obligations of the Transferor owed to Transmission Provider in the Service Agreement without expanding any obligations owed by SRP, in whole or in part. Once the transfer is complete, SRP shall bill the Transferee and the Transferee shall pay, the applicable transmission and ancillary service rates set forth in this Tariff or in the Service Agreement.

In addition to temporary or partial reassignments governed by Section 23.1(ii) above, a Transmission Customer may permanently transfer its Service Agreement, in its entirety, to an Assignee with SRP's prior written consent, not to be unreasonably withheld, delayed or conditioned; provided, however, that the Assignee: (a) has established its creditworthiness pursuant to Section 11 and Attachment L of this Tariff and paid a deposit, if required by SRP consistent with Section 17.3 of this Tariff, to secure the Assignee's obligation to pay for service provided by SRP to the Assignee; and (b) accepts the rights and obligations under the Reseller's Service Agreement, without any modification or enlargement of such rights and obligations, as if the Assignee was an original Party to the Service Agreement. An assignment under this Section 23.1(iii) shall not relieve the Reseller of its obligations incurred prior to the effective date of the assignment.

23.3 Limitations on Resale of Service

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

~~agreed to by SRP and the Reseller through an amendment to the Service Agreement.~~

~~23.4 Information on Resale of Service~~

~~In accordance with Section 4, all resales of capacity must be conducted through or otherwise posted on SRP's OASIS on or before the date the resold service commences and are subject to Section 23.1. Resellers may also use SRP's OASIS to post transmission capacity available for resale.~~

24. Metering and Power Factor Correction at Point(s) of Receipt and Point(s) of Delivery

24.1 Transmission Customer Obligations

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

24.2 SRP Access to Metering Data

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

24.3 Power Factor

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

25. Compensation for Transmission Service

Rates for Firm and Non-Firm Point-to-Point Transmission Service are provided in the Schedules appended to the Tariff, including Firm Point-to-Point Transmission Service (SCHEDULE 7) and Non-Firm Point-to-Point Transmission Service (SCHEDULE 8). SRP shall use Part II ~~or IV~~ of the Tariff to make its Third-Party Sales. SRP shall account for such use at the applicable Tariff rates, pursuant to Section 8.

26. Compensation for New Facilities and Redispatch Costs

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

III. NETWORK INTEGRATION TRANSMISSION SERVICE

Preamble

Network Integration Transmission Service (NITS) allows the Network Customer to integrate, economically dispatch and regulate its current and planned Network Resources to serve its Network Load in a manner comparable to that in which SRP utilizes the SRP Valley Network to serve its Native Load Customers. SRP will provide NITS pursuant to the applicable terms and conditions contained in the Tariff and Service Agreement and under an alternate choice of procedures for designation and undesignation of Network Resources located outside the SRP Valley Network. Such alternative procedures are posted on the SRP OASIS and may be changed from time to time as advances are made in the automation and validation of electronic tagging and scheduling. For Network Resources located outside the SRP Valley Network, Network Customers may choose either the designation and undesignation procedures contained in this Part III of this Tariff or those posted on the SRP OASIS. Transmission service for sales to non-designated loads will be provided pursuant to the applicable terms and conditions of Part II ~~and Part IV~~ of the Tariff.

27. Nature of Network Integration Transmission Service

27.1 Scope of Service

NITS is a transmission service that allows Network Customers to efficiently and economically utilize their Network Resources (as well as other non-designated generation resources) to serve their Network Load. The Network Customer taking NITS must obtain or provide Ancillary Services pursuant to Section 3 and must comply with the requirements of ATTACHMENT S regarding WEIM. In accordance with Section 5 of this Tariff, NITS is limited to a minimum term of one (1) year and a maximum term of three (3) years. NITS is limited to Eligible Customers using the service to deliver power to their retail loads which are directly interconnected to the Valley Network.

27.2 SRP Responsibilities

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

27.3 Network Integration Transmission Service

Subject to Section 27.4 below, SRP will provide NITS over the SRP Transmission System to the Network Customer for the delivery of capacity and energy from its Network Resources to service its Network Loads on a basis that is comparable to SRP's use of the SRP Transmission System to reliably serve its Native Load Customers.

27.4 Secondary Service

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

27.5 Real Power Losses

Real Power Losses are associated with all Transmission Service. The Transmission Customer is responsible for paying for losses associated with all Transmission Service as provided in SCHEDULE 10.

27.6 Restrictions on Use of Service

The Network Customer shall not use NITS for either: (i) sales of capacity and energy to non-designated loads; or (ii) direct or indirect provision of transmission service by the Network Customer to third parties. All Network Customers taking NITS shall use Point-to-Point Transmission Service under Part II of the Tariff ~~or GITS under Part IV of the Tariff~~ for any Third-Party Sale which requires use of SRP's Transmission System. SRP shall specify any appropriate charges and penalties and all related terms and conditions applicable in the event that a Network Customer uses NITS or secondary service pursuant to Section 27.4 to facilitate a wholesale sale that does not serve a Network Load.

27.7 Participation in EIM/WEIM

Notwithstanding the limitations in Section 27.6, Network Customers utilizing a NITS Agreement may participate in EIM/WEIM ~~to procure energy~~ without a requirement to terminate the designation of any Network Resource that is an SRP EIM/WEIM Participating Resource consistent with Section 29.3 of this Tariff and without a requirement to reserve additional Point-to-Point Transmission Service for such transaction.

28. Initiating Service

28.1 Condition Precedent for Receiving Service

~~Except as provided in Section 28.6 and Attachment R for Direct Access Program customers, and s~~Subject to the terms and conditions of Part III of the Tariff, SRP will provide NITS to any Eligible Customer, provided that: (i) the Eligible Customer completes an Application for service as provided under Part III of the Tariff; (ii) the Eligible Customer and SRP complete the technical arrangements set forth in Sections 28.3 and 28.4; (iii) the Eligible Customer executes a Service Agreement pursuant to ATTACHMENT F for wholesale service under Part III of the Tariff ~~or requests in writing that Direct Access service be initiated pursuant to Section 28.6 and Attachment R of this Tariff~~; and (iv) the Eligible Customer executes a Network Operating Agreement with SRP pursuant to ATTACHMENT G, ~~or requests in writing that service be initiated pursuant to Section 28.5 and Attachment R of this Tariff~~.

28.2 Application Procedures

~~Except as provided in Section 28.6 and Attachment R for Direct Access Program customers, a~~An Eligible Customer requesting service under Part III of the Tariff must submit a written Application in accordance with this Section via email to SRP at the following email address: srpt@srpnet.com ~~and via United States Postal Service to Director, Transmission and Generation Operations, SRP, PO Box 52025, POB 013, Phoenix, AZ 85072-2025~~, with a deposit approximating the charge for one month of service, at least sixty (60) days in advance of the month in which service is to commence.

Regardless of the above, SRP may, on a non-discriminatory basis, waive the requirement that a deposit accompany an Application where the Eligible Customer has established its creditworthiness pursuant to Section 11 and ATTACHMENT L of this Tariff and is not in default of its obligations under this Tariff, as defined in Section 7.3 of this Tariff, at the time of the Application. The Eligible Customer shall compensate SRP for reasonable costs incurred in evaluating the Eligible Customer's creditworthiness.

Unless subject to the procedures in Section 2, Completed Applications for NITS will be assigned a priority according to the date and time the Application is received, with the earliest Application receiving the highest priority. Applications must be submitted by entering the information listed below on SRP's OASIS. This method will provide a time stamped record for establishing the service priority of the Application.

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

- (i) The identity, address, telephone number, e-mail address, and facsimile number of the party requesting service;

- (ii) A statement that the party requesting service is, or will be upon commencement of service, an Eligible Customer under the Tariff;
- (iii) A description of the Network Load at each Point of Delivery inside the Valley Network. This description should separately identify and provide the Eligible Customer's best estimate of the total loads to be served at each transmission voltage level, and the loads to be served from each SRP substation at the same transmission voltage level. The description should include a ten (10) year forecast of summer and winter load and resource requirements beginning with the first year after the service is scheduled to commence;
- (iv) The amount and location of any interruptible loads included in the Network Load. This shall include the summer and winter capacity requirements for each interruptible load (had such load not been interruptible), that portion of the load subject to interruption, the conditions under which an interruption can be implemented and any limitations on the amount and frequency of interruptions. An Eligible Customer should identify the amount of interruptible customer load (if any) included in the 10-year load forecast provided in response to (iii) above;
- (v) For both on-system and off-system network resources:
 - a. A description of Network Resources (current and 10-year projection)
 - b. The Point(s) of Receipt on the Transmission System from which capacity and energy from the Network Resource will be received
 - c. The transmission capacity requested for each Point of Receipt (i.e., the Reserved Capacity)

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

- Unit size and amount of capacity from that unit to be designated as Network Resource
- VAR capability (both leading and lagging) of all generators
- Operating restrictions
 - Any periods of restricted operations throughout the year
 - Maintenance schedules
 - Minimum loading level of unit
 - Normal operating level of unit

- Any must-run unit designations required for system reliability or contract reasons
- Approximate variable generating cost (\$/MWH) for redispatch computations
- Arrangements governing sale and delivery of power to third parties from generating facilities located in SRP's Balancing Authority Area, where only a portion of unit output is designated as a Network Resource;

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

- Identification of the Network Resource as an off-system resource
- Amount of power to which the customer has rights
- Identification of the Balancing Authority Area from which the power will originate
- Transmission arrangements on the external transmission system(s)
- Operating restrictions, if any
 - Any periods of restricted operations throughout the year
 - Maintenance schedules
 - Minimum loading level of unit
 - Normal operating level of unit
 - Any must-run unit designations required for system reliability or contract reasons
- Approximate variable generating cost (\$/MWH) for redispatch computations;

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

- a. Load flow and stability data, such as real and reactive parts of the load, lines, transformers, reactive devices and load type, including normal and emergency ratings of all transmission equipment in a load flow format compatible with that used by SRP
- b. Operating restrictions needed for reliability
- c. Operating guides employed by system operators

- d. Contractual restrictions or committed uses of the Eligible Customer's transmission system, other than the Eligible Customer's Network Loads and Resources
 - e. Location of Network Resources described in Subsection (v) above
 - f. 10-year projection of system expansions or upgrades
 - g. Transmission System maps that include any proposed expansions or upgrades
 - h. Thermal ratings of Eligible Customer's Balancing Authority Area ties with other Balancing Authority Areas;
- (vii) Service Commencement Date and the term of the requested NITS. The minimum term for NITS is one (1) year and the maximum term is three (3) years;
- (viii) A statement signed by an authorized officer from or agent of the Network Customer attesting that all of the network resources listed pursuant to Section 28.2(v) satisfy the following conditions: (1) the Network Customer owns the resource, has committed to purchase generation pursuant to an executed contract, or has committed to purchase generation where execution of a contract is contingent upon the availability of transmission service under Part III of the Tariff; and (2) the Network Resources do not include any resources, or any portion thereof, that are committed for sale to non-designated third party load or otherwise cannot be called upon to meet the Network Customer's Network Load on a non-interruptible basis; and
- (ix) Any additional information required of the Transmission Customer as specified in: (1) SRP's planning process established in ATTACHMENT K; and (2) ATTACHMENT S.

Unless the Parties agree to a different time frame, SRP must acknowledge the request within ten (10) days of receipt. The acknowledgment must include a date by which a response, including a Service Agreement, will be sent to the Eligible Customer. If an Application fails to meet the requirements of this Section, SRP shall notify the Eligible Customer requesting service within twenty-one (21) days of receipt and specify the reasons for such failure. Wherever possible, SRP will attempt to remedy deficiencies in the Application through informal communications with the Eligible Customer. If such efforts are unsuccessful, SRP shall return the Application without prejudice to the Eligible Customer filing a new or revised Application that fully complies with the requirements of this Section. The Eligible Customer will be assigned a new priority consistent with the date of the new or revised Application. SRP shall treat this information consistent with SRP's standards of conduct modelled upon Part 37 of the Commission's regulations.

28.3 Technical Arrangements to be Completed Prior to Commencement of Service

~~Except as provided in Section 28.6 for Direct Access Program customers,~~ NITS shall not commence until SRP and the Network Customer, or a third party, have completed installation of all equipment specified under a Network Operating Agreement consistent with Good Utility Practice and any additional requirements reasonably and consistently imposed to ensure the reliable operation of the Transmission System. SRP shall exercise reasonable efforts, in coordination with the Network Customer, to complete such arrangements as soon as practicable taking into consideration the Service Commencement Date.

28.4 Network Customer Facilities

The provision of NITS shall be conditioned upon the Network Customer's constructing, maintaining and operating the facilities on its side of each Point of Delivery or interconnection necessary to reliably deliver capacity and energy from the Valley Network to the Network Customer. The Network Customer shall be solely responsible for constructing or installing all facilities on the Network Customer's side of each such Point of Delivery or interconnection.

28.5 Initiating Service in the Absence of an Executed Service Agreement

~~Except as provided in Section 28.6 and Attachment R for Direct Access Program customers, if~~ SRP and the Network Customer requesting NITS cannot agree on all the terms and conditions of the Network Operating Agreement, the Network Customer may submit the disputed terms and conditions pursuant to the dispute resolution procedures of Section 12 of this Tariff. SRP may, in its sole discretion, commence providing reliable NITS in compliance with this Tariff and all Applicable Reliability Standards to the Network Customer under an unexecuted NITS Agreement and/or an unexecuted Network Operating Agreement containing terms and conditions deemed appropriate by SRP for such requested service, subject to the Network Customer agreeing to: (i) compensate SRP at its current just and reasonable rate, as approved by SRP's Board of Directors; and (ii) comply with the terms and conditions of this Tariff including posting appropriate security deposits in accordance with the terms of Section 28.2.

~~Initiating Service for SRP Direct Access Program Customers~~

~~SRP's Direct Access Program customers shall initiate NITS in the following manner. A customer's eligibility to be included is demonstrated through the return to SRP of a signed enrollment form. Account information for customers returning enrollment forms is provided by SRP to ESPs and qualified public power entities, certified by the Arizona Corporation Commission (ACC) and authorized to do business in SRP's service territory. If an eligible customer elects to purchase electric generation service from an ESP, SRP is notified of that election through the ESP's submittal of a Direct Access Service Request to SRP. The Direct Access Service Request constitutes that Direct Access Program customer's application for NITS. Service will commence on the customer's next scheduled meter read date, so long as the ESP notified SRP of the customer's election at least ten (10) days before the scheduled meter read date.~~

29. Network Resources

29.1 Designation of Network Resources

Network Resources shall include all generation owned, purchased or leased by the Network Customer designated to serve Network Load under the Tariff. Network Resources may not include resources, or any portion thereof, that are committed for sale to non-designated third party load or otherwise cannot be called upon to meet the Network Customer's Network Load on a non-interruptible basis, except for purposes of fulfilling obligations under a reserve sharing program or output associated with an ~~EM~~WEIM Dispatch Instruction. Any owned or purchased resources that were serving the Network Customer's loads under firm agreements entered into on or before the Service Commencement Date shall initially be designated as Network Resources until the Network Customer terminates the designation of such resources.

SRP does not require Network Customers, or SRP, to designate or undesignate Network Resources. However, for the transmission component of NITS located outside the Valley Network, the Network Customer is required to designate a Point of Receipt.

29.2 Designation of New Network Resources

If a Network Customer, or SRP, elects to designate a new Network Resource, the Network Customer, or SRP, may do so by providing SRP with as much advance notice as practicable. A designation of a new Network Resource must be made through SRP's OASIS by a request for modification of service pursuant to an Application under Section 28 of this Tariff. This request must include a statement that the new Network Resource satisfies the following conditions: (i) the Network Customer owns the resource, has committed to purchase generation pursuant to an executed contract, or has committed to purchase generation where execution of a contract is contingent upon the availability of transmission service under Part III of the Tariff; and (ii) The Network Resources do not include any resources, or any portion thereof, that are committed for sale to non-designated third party load or otherwise cannot be called upon to meet the Network Customer's Network Load on a non-interruptible basis. The Network Customer's request will be deemed deficient if it does not include this statement and SRP will follow the procedures for a deficient application as described in Section 28.2 of the Tariff. In addition, the generators that are subject to a new Network Resource designation must complete a Generator Deliverability Study.

29.3 Termination of Network Resources

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

effective, and the identification and capacity of the resource(s) or portions thereof to be indefinitely terminated. A request for temporary termination of Network Resource status must include the following:

- (i) Effective date and time of temporary termination;
- (ii) Effective date and time of redesignation, following period of temporary termination;
- (iii) Identification and capacity of resource(s) or portions thereof to be temporarily terminated;
- (iv) Resource description and attestation for redesignating the network resource following the temporary termination, in accordance with Section 29.2; and
- (v) Identification of any related transmission service requests to be evaluated concomitantly with the request for temporary termination, such that the requests for undesignation and the request for these related transmission service requests must be approved or denied as a single request. The evaluation of these related transmission service requests must take into account the termination of the network resources identified in (iii) above, as well as all competing transmission service requests of higher priority.

As part of a temporary termination, a Network Customer may only redesignate the same resource that was originally designated, or a portion thereof. Requests to redesignate a different resource and/or a resource with increased capacity will be deemed deficient and SRP will follow the procedures for a deficient application as described in Section 28.2 of the Tariff. Information provided by a Network Customer necessary to redesignate a Network Resource following a period of temporary termination may incorporate by reference unchanged information provided pursuant to Section 29 when that resource was first designated, provided, however, that a Network Customer must provide an attestation required by Section 29.2 in order to properly redesignate the Network Resource. If the indefinite termination of a Network Resource is associated with an approved Replacement Generating Facility processed under Section 3.11 of ATTACHMENT O (GIP), and the termination request identifies the related new Network Resource request associated with the Replacement Generating Facility, the related service requests must be approved as a single request and the Designated Network Resource status of the Existing Generating Facility shall be transferred to the Replacement Generating Facility.

29.4 Operation of Network Resources

The Network Customer shall not operate its Network Resources located within the metered boundary of the Network Customer's Balancing Authority Area or SRP's Balancing Authority Area such that the output of those facilities exceeds its designated Network Load, plus Non-Firm Sales delivered pursuant to Part II of the Tariff, plus losses, plus power sales under a reserve sharing program, plus sales that permit curtailment without penalty to serve its designated Network Load. This

limitation shall not apply to SRP ~~ELMWEIM~~ Participating Resources responding to Dispatch Instructions or to changes in the operation of a Network Customer's Network Resources at the request of SRP to respond to an Emergency or other unforeseen condition which may impair or degrade the reliability of the Transmission System. For all Network Resources not physically connected with SRP's Transmission System, the Network Customer may not schedule delivery of energy in excess of the Network Resource's capacity, as specified in the Network Customer's Application pursuant to Section 28, unless the Network Customer supports such delivery within SRP's Transmission System by either obtaining Point-to-Point Transmission Service or utilizing secondary service pursuant to Section 27.4. SRP shall specify the rate treatment and all related terms and conditions applicable in the event that a Network Customer's schedule at the Point of Delivery for a Network Resource not physically interconnected with SRP's Transmission System exceeds the Network Resource's designated capacity, excluding energy delivered using secondary service or Point-to-Point Transmission Service.

29.5 Network Customer Redispatch Obligation

As a condition to receiving NITS, the Network Customer agrees to redispatch its Network Resources as requested by SRP pursuant to Section 32.2. To the extent practical, the redispatch of resources pursuant to this Section shall be on a least cost, non-discriminatory basis between all Network Customers and SRP.

29.6 Transmission Arrangements for Network Resources Not Interconnected with Transmission System

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

29.7 Limitation on Designation of Network Resources

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

29.8 Use of Interface Capacity by the Network Customer

There is no limitation upon a Network Customer's use of the SRP Transmission System located within the Valley Network at any particular interface to integrate the Network Customer's Network Resources with its Network Loads. However, a Network Customer's use of the SRP Transmission System located within the Valley Network's total interface capacity ~~combined with capacity reserved under GITS in Part IV of this Tariff~~, with other transmission systems may not exceed the Network

Customer's Network Load plus firm sales and Non-Firm Sales delivered pursuant to Parts II, and III of the Tariff.

29.9 Network Customer Owned Transmission Facilities

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

30. Designation of Network Load

30.1 Network Load

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

30.2 New Network Loads Connected with SRP

The Network Customer shall provide SRP with as much advance notice as reasonably practicable of the designation of new Network Load that will be added to the Transmission System. A designation of new Network Load must be made through a modification of service pursuant to a new Application. SRP will use due diligence to install any transmission facilities required to interconnect a new Network Load designated by the Network Customer. The costs of new facilities required to interconnect a new Network Load shall be determined in accordance with the procedures provided in Section 31.4 and shall be charged to the Network Customer.

30.3 New Interconnection Points

To the extent the Network Customer desires to add a new Point of Delivery or interconnection point between the SRP Transmission System located within the Valley Network and a Network Load, the Network Customer shall provide SRP with as much advance notice as reasonably practicable.

30.4 Changes in Service Requests

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

30.5 ~~Annual~~ Load and Resource Information Updates

The Network Customer shall provide SRP with ~~daily and~~ annual updates of Network Load and Network Resource forecasts consistent with those included in its Application for NITS under Part III of the Tariff including, but not limited to, any information provided under Section 28 pursuant to ~~the~~ SRP's planning process in ATTACHMENT K. The Network Customer also shall provide SRP with timely written notice of material changes in any other information provided in its Application relating to the Network Customer's Network Load, Network Resources, its transmission system or other aspects of its facilities or operations affecting SRP's ability to provide reliable service. If SRP determines the increase in load affects its ability to provide reliable service, then SRP may require a new System Impact Study, at the Network Customer's expense. If the System Impact Study demonstrates that new transmission facilities or upgrades to existing transmission facilities are necessary to accommodate the Network Customer's increase in load, SRP may require the Network Customer to fund the cost of constructing such new facilities or upgrades.

31. Additional Study Procedures for Network Integration Transmission Service Requests

31.1 Notice of Need for a System Impact Study

After receipt of: (i) an initial request for NITS; (ii) a request for change in Network Loads or Network Resources; or (iii) a request for changes to existing or additional Point(s) of Delivery, SRP shall determine on a non-discriminatory basis whether a System Impact Study is needed. A description of SRP's methodology for completing a System Impact Study is provided in ATTACHMENT E. If SRP determines that a System Impact Study is necessary to accommodate the requested service; it shall so inform the Eligible Customer or Network Customer, as soon as practicable. In such cases, SRP shall within thirty (30) days of receipt of a Completed Application, tender a System Impact Study Agreement pursuant to which the Eligible Customer or Network Customer shall agree to reimburse SRP for performing the required System Impact Study. For a service request to remain a Completed Application or a request for change(s) to be processed further, the Eligible Customer or Network Customer shall execute the System Impact Study Agreement and return it to SRP within fifteen (15) days. If the Eligible Customer elects not to execute the System Impact Study Agreement, its Application or request for any change(s) shall be deemed withdrawn and its accompanying deposit, if any, shall be returned, less all costs reasonably incurred by SRP.

31.2 System Impact Study Agreement and Cost Reimbursement

- (i) The System Impact Study Agreement will specify SRP's estimate of the actual cost, and time for completion of the System Impact Study. In performing the System Impact Study, SRP shall rely, to the extent reasonably practicable, on existing transmission planning studies. The Eligible Customer will not be assessed a charge for such existing studies; however, the Eligible Customer or Network Customer will be responsible for charges associated with any modifications to existing planning studies that are reasonably necessary to evaluate the impact of the Eligible Customer's request for service on the SRP Transmission System or the Network Customer's request for change(s). The Eligible Customer or Network Customer will be responsible for the payment of all actual study costs incurred by SRP. SRP will only perform the study, or portion thereof, upon receipt of funds from the Eligible Customer or Network Customer in an amount sufficient to fund the study work, or portion thereof. If SRP cannot continue, or complete, the study due to insufficiency of funds as paid in advance by the Eligible Customer or Network Customer, SRP will inform the Eligible Customer or Network Customer of the amount needed. Under no circumstances will SRP advance its own funds for any study work.
- (ii) If in response to multiple Eligible Customers requesting service in relation to the same competitive solicitation, a single System Impact Study is sufficient for SRP to accommodate the service requests, the costs of that study shall be pro-rated among the Eligible Customers.
- (iii) For System Impact Studies that SRP conducts on its own behalf, SRP shall record the cost of the System Impact Studies pursuant to Section 8.

31.3 System Impact Study Procedures

Upon receipt of an executed System Impact Study Agreement, SRP will use due diligence to complete the required System Impact Study within a ninety (90) day period. The System Impact Study shall identify: (i) any system constraints, identified with specificity by transmission element or flowgate; (ii) redispatch options (when requested by an Eligible Customer or Network Customer) including, to the extent possible, an estimate of the cost of redispatch; (iii) available options for installation of automatic devices to curtail service (when requested by an Eligible Customer or Network Customer); and (iv) additional Direct Assignment Facilities or Network Upgrades required to provide the requested service. For customers requesting the study of redispatch options, the System Impact Study shall: (i) identify all resources located within SRP's Balancing Authority Area that can significantly contribute toward relieving the system constraint; and (ii) provide a measurement of each resource's impact on the system constraint. If SRP possesses information indicating that any resource outside its Balancing Authority Area could relieve the constraint, it shall identify each such resource in the System Impact Study. In the event that SRP is unable to complete the required System Impact Study within such time period, it shall so notify the Eligible Customer or Network Customer and provide an estimated completion date along with an

explanation of the reasons why additional time is required to complete the required studies. A copy of the completed System Impact Study and related work papers shall be made available to the Eligible Customer or Network Customer upon completion of the study. SRP will use the same due diligence in completing the System Impact Study for an Eligible Customer or Network Customer as it uses when completing studies for itself. SRP shall notify the Eligible Customer or Network Customer immediately upon completion of the System Impact Study if the Transmission System will be adequate to accommodate all or part of a request for service by an Eligible Customer or change(s) by a Network Customer or that no costs are likely to be incurred for new transmission facilities or upgrades. In order for a request to remain a Completed Application or a request for change(s) to be processed further, within fifteen (15) days of completion of the System Impact Study the Eligible Customer must execute a Service Agreement or the Network Customer must execute an amended Service Agreement must execute a Service Agreement or the Application or request for change(s) shall be deemed terminated and withdrawn.

31.4 Facilities Study Procedures

If a System Impact Study indicates that additions or upgrades to the Transmission System are needed to supply the Eligible Customer's service request or to accommodate the change(s) requested by a Network Customer, then SRP, within thirty (30) days of the completion of the System Impact Study, shall tender to the Eligible Customer or Network Customer a Facilities Study Agreement pursuant to which the Eligible Customer or Network Customer shall agree to reimburse SRP for performing the required Facilities Study. For a service request to remain a Completed Application or a requested change(s) to be processed further, the Eligible Customer or Network Customer shall execute the Facilities Study Agreement and return it to SRP within fifteen (15) days. If the Eligible Customer or Network Customer elects not to execute the Facilities Study Agreement, its Application or request for change(s) shall be deemed withdrawn and its accompanying deposit, if any, shall be returned, less all costs reasonably incurred by SRP. Upon receipt of an executed Facilities Study Agreement, SRP will use due diligence to complete the required Facilities Study within a ninety (90) day period. If SRP is unable to complete the Facilities Study in the allotted time period, SRP shall notify the Eligible Customer or Network Customer and provide an estimate of the time needed to reach a final determination along with an explanation of the reasons that additional time is required to complete the study. When completed, the Facilities Study will include a good faith estimate of: (i) the cost of Direct Assignment Facilities to be charged to the Eligible Customer or Network Customer; (ii) the Eligible Customer's or Network Customer's appropriate share of the cost of any required Network Upgrades; and (iii) the time required to complete such construction and initiate the requested service. The Eligible Customer or Network Customer shall provide SRP with a reasonable form of security acceptable to SRP equivalent to the costs of new facilities or upgrades consistent with commercial practices as established by the Uniform Commercial Code. The Eligible Customer shall have thirty (30) days to execute a Service Agreement and the Network Customer shall have thirty (30) days to execute an amended Service Agreement as well as to provide the required security or the request no longer will be a

Completed Application or processed further and shall be deemed terminated and withdrawn.

32. Load Shedding and Curtailments

32.1 Procedures

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

32.2 Transmission Constraints

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

32.3 Cost Responsibility for Relieving Transmission Constraints

Whenever SRP implements least-cost redispatch procedures in response to a Transmission Constraint, SRP and Network Customers will each bear a proportionate share of the total redispatch cost based on their respective Load Ratio Shares.

32.4 Curtailments of Scheduled Deliveries

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

32.5 Allocation of Curtailments

SRP shall, on a non-discriminatory basis, Curtail the transaction(s) that effectively relieve the constraint. However, to the extent practicable and consistent with Good

Utility Practice, any Curtailment will be shared by SRP and Network Customers in proportion to their respective Load Ratio Shares. SRP shall not direct the Network Customer to Curtail schedules to an extent greater than SRP would Curtail SRP's schedules under similar circumstances.

32.6 Load Shedding

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

32.7 System Reliability

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

33. Rates and Charges

The Network Customer shall pay SRP for any Direct Assignment Facilities, Ancillary Services, and applicable study costs, along with the following:

33.1 Monthly Demand Charge

The Network Customer shall pay a monthly Demand Charge, which shall be determined by multiplying its Load Ratio Share times one twelfth (1/12) of SRP's Annual Transmission Revenue Requirement specified in ATTACHMENT H, as may be changed from time-to-time.

33.2 Determination of Network Customer's Monthly Network Load

The Network Customer's monthly Network Load is its hourly load coincident with SRP's Monthly Transmission System Peak.

33.3 Determination of SRP's Monthly Transmission System Load

SRP's monthly Transmission System Load is SRP's Monthly Transmission System Peak minus the coincident peak usage of all Firm Point-to-Point Transmission Service customers pursuant to Part II of this Tariff ~~and all GITS Customers pursuant to Part IV of this Tariff~~ plus the Reserved Capacity of all Firm Point-to-Point Transmission Service customers ~~and all GITS Customers~~.

33.4 Redispatch Charge

The Network Customer shall pay a Load Ratio Share of any redispatch costs allocated between the Network Customer and SRP pursuant to Section 32. To the extent that SRP incurs an obligation to the Network Customer for redispatch costs in accordance with Section 32, such amounts shall be credited against the Network Customer's bill for the applicable month.

34. Operating Arrangements

34.1 Operation under the Network Operating Agreement

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

34.2 Network Operating Agreement

The terms and conditions under which the Network Customer shall operate its facilities and the technical and operational matters associated with the implementation of Part III of the Tariff shall be specified in the Network Operating Agreement. The Network Operating Agreement shall provide for the Parties to: (i) operate and maintain equipment necessary for integrating the Network Customer within SRP's Transmission System (including, but not limited to, remote terminal units, metering, communications equipment and relaying equipment); (ii) transfer data between SRP and the Network Customer (including, but not limited to, heat rates and operational characteristics of Network Resources, generation schedules for units outside SRP's Transmission System, interchange schedules, unit outputs for redispatch required under Section 32, voltage schedules, loss factors and other real time data); (iii) use software programs required for data links and constraint dispatching; (iv) exchange data on forecasted loads and resources necessary for long-term planning; and (v) address any other technical and operational considerations required for implementation of Part III of the Tariff, including scheduling protocols. The Network Operating Agreement will recognize that the Network Customer shall either: (i) operate as a Balancing Authority under applicable guidelines of the Electric Reliability Organization (ERO) as defined in 18 C.F.R. § 39.1; (ii) satisfy its Balancing Authority requirements, including all necessary Ancillary Services, by contracting with SRP; or (iii) satisfy its Balancing Authority requirements, including all necessary Ancillary Services, by contracting with another entity, consistent with Good Utility Practice, which satisfies the applicable reliability guidelines of the ERO. SRP shall not unreasonably refuse to

accept contractual arrangements with another entity for Ancillary Services. The Network Operating Agreement is included in ATTACHMENT G.

34.3 Network Operating Committee

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

~~IV — GENERATION INTEGRATION TRANSMISSION SERVICE~~

~~Preamble~~

~~SRP will provide Generation Integration Transmission Service (GITS) pursuant to the applicable terms and conditions contained in this Tariff, including the standard form of Service Agreement for GITS. GITS is a transmission service that helps Transmission Customers fully optimize use of SRP's Valley Network, while still enabling them to utilize Points of Delivery on the Transmission System located outside of the Valley Network. The Valley Network facilities are identified in the Business Practice posted on SRP's OASIS. As described herein, a GITS Customer must designate the GITS Generation Resources from which capacity and energy will be transmitted and those GITS Generation Resources may be aggregated into a single Point of Receipt within the Valley Network. The GITS Customer also must identify a Point of Delivery on the Transmission System. SRP will evaluate which Valley Network Gates, if any, are available to deliver capacity and energy to that Point of Delivery and, in coordination with the GITS Customer, memorialize one or more of the available Valley Network Gates in the Service Agreement for GITS. GITS is available to an Eligible Customer that meets the requirements of this Part IV and, as applicable, Parts I and II of the Tariff.~~

~~Nature of Generation Integrated Transmission Service~~

~~Scope of Service~~

~~GITS is a Firm Transmission Service, with the attributes of "firm" defined by Firm Point-To-Point Transmission Service in Part I of the Tariff. GITS Customers can efficiently and economically utilize one or more GITS Generation Resources to facilitate wholesale transactions. The GITS Customer must obtain all applicable Ancillary Services at rates as are currently in effect at the time the Ancillary Services are taken.~~

~~Transmission Provider Responsibilities~~

~~SRP will plan, construct, operate and maintain its Transmission System in accordance with Good Utility Practice in order to provide the GITS Customer with GITS.~~

~~Term~~

~~The minimum and maximum term of GITS shall be one (1) year and three (3) years, respectively, and the actual term shall be specified in the Service Agreement for GITS.~~

~~Reservation Priority~~

~~GITS shall be available on a first-come, first-served basis, i.e., in the chronological sequence in which each Transmission Customer has requested service.~~

~~GITS will always have a reservation priority over Non-Firm Point-to-Point Transmission Service under this Tariff. GITS will have equal reservation priority with Long-Term Firm Point-to-Point Transmission Service, Native Load Customers, and Network Customers. Reservation priorities for existing Firm Transmission Service customers are provided in Section 2.1.~~

~~Use of Generation Integration Transmission Service by SRP~~

~~SRP will be subject to the rates, terms and conditions of Part IV of the Tariff when using GITS. SRP will maintain separate accounting, pursuant to Section 8 of the Tariff, for any use of GITS to make Third-Party Sales.~~

~~Service Agreements~~

~~SRP shall offer a standard form of Service Agreement for GITS (Attachment M) and a standard Form of GITS Operating Agreement (Attachment N) to an Eligible Customer that submits a Completed Application for GITS subject to the availability of transmission capability. An Eligible Customer that uses GITS at a Point of Receipt or Point of Delivery that it has not reserved and that has not executed a Service Agreement will be deemed, for purposes of assessing any appropriate charges and penalties, to have executed the appropriate Service Agreement. The Service Agreement shall, when applicable, specify any conditional curtailment options selected by the GITS Customer. Where the Service Agreement contains conditional curtailment options and is subject to a biennial reassessment as described in Section 36.4 SRP shall provide the GITS Customer notice of any changes to the curtailment conditions no less than ninety (90) days prior to the date for imposition of new curtailment conditions. Concurrent with such notice, SRP shall provide the GITS Customer with the reassessment study and a narrative description of the study, including the reasons for changes to the number of hours per year or System Conditions under which conditional curtailment may occur.~~

~~Transmission Customer Obligations for Facility Additions~~

~~In cases where SRP determines that the SRP Transmission System is not capable of providing GITS, including, but not limited to, GITS through the particular Valley Network Gate or to the particular Point of Delivery requested by the GITS Customer, without (1) degrading or impairing the reliability of service to Native Load Customers, Network Customers or Transmission Customers taking Firm Transmission Service, or (2) interfering with SRP's ability to meet prior firm contractual commitments to others, SRP will be obligated to expand or upgrade its Transmission System pursuant to the terms of Section 36.4. The GITS Customer must agree to compensate SRP for any necessary transmission facility additions pursuant to the terms of Section 44. Any upgrade or Direct Assignment Facilities costs to be charged to the GITS Customer on an incremental basis under the Tariff will be specified in the Service Agreement for GITS prior to initiating service. To the extent SRP can relieve any system constraint by redispatching SRP's resources, without adversely affecting Native Load Customers or Transmission Customers taking Firm Transmission Service, it shall do so, provided that the~~

~~Eligible Customer agrees to compensate SRP pursuant to the terms of Section 35 and agrees to either (i) compensate SRP for any necessary transmission facility additions or (ii) accept the service subject to a biennial reassessment by SRP of redispatch requirements as described in Section 36.4. Any redispatch, Network Upgrade or Direct Assignment Facilities costs to be charged to the GITS Customer on an incremental basis under the Tariff will be specified in the Service Agreement prior to initiating service. SRP shall take reasonably necessary measures to ensure reliability in SRP's Balancing Authority Area in accordance with Section 6 of Attachment S.~~

~~Curtailement of Generation Integration Transmission Service~~

~~In the event that a Curtailment on SRP's Transmission System, or a portion thereof, is required to maintain reliable operation of such system and the systems directly and indirectly interconnected with SRP's Transmission System, Curtailments will be made on a non-discriminatory basis to the transaction(s) that effectively relieve the constraint. SRP may elect to implement such Curtailments according to the procedures specified in Attachment J. If multiple transactions require Curtailment, to the extent practicable and consistent with Good Utility Practice, SRP will curtail service to GITS Customers, Network Customers and Transmission Customers taking Firm Point-to-Point Transmission Service on a basis comparable to the curtailment of service to SRP's Native Load Customers. All curtailments will be made on a non-discriminatory basis, however, Non-Firm Point-to-Point Transmission Service will be subordinate to Firm Transmission Service. Long Term Firm Point-to-Point Transmission Service and GITS subject to the conditions described in Sections 15.4 and 36.4 shall be curtailed with secondary service in cases where the conditions apply, but otherwise will be curtailed on a pro-rata basis with other Firm Transmission Service. When SRP determines that an electrical emergency exists on its Transmission System and implements emergency procedures to Curtail Firm Transmission Service, the Transmission Customer shall make the required reductions upon request of SRP. However, SRP reserves the right to Curtail, in whole or in part, any Firm Transmission Service provided under this Tariff when, in its sole discretion, an emergency or other unforeseen condition impairs or degrades the reliability of its Transmission System. SRP will notify all affected GITS Customers in a timely manner of any scheduled Curtailments. SRP shall take any reasonably necessary measures to ensure reliability in SRP's Balancing Authority Area in accordance with Section 6 of Attachment S.~~

~~Classification of Generation Integration Transmission Service~~

~~SRP shall provide firm deliveries of capacity and energy from the GITS Point(s) of Receipt to the GITS Point(s) of Delivery. GITS Generation Resources, GITS Points of Receipt and GITS Points of Delivery shall be as mutually agreed upon by the Parties but in all cases shall be as provided for in Section 38.2, GITS Application. The coincident capacity reservations for a GITS Customer at all GITS Points of Delivery are limited to the maximum generation amount specified in the Service Agreement for GITS. The GITS Customer will be billed for its Reserved Capacity under the terms of Schedule 11. The GITS Customer shall not exceed its total capacity reserved from the GITS Points of Receipt and shall not exceed its total capacity reserved at the GITS Points of Delivery. In the event that a GITS Customer exceeds its firm Reserved Capacity at the GITS Points of Receipt or the GITS Points of Delivery, the GITS Customer shall pay the rate for unauthorized use as specified in Schedule 11.~~

~~Scheduling of Generation Integration Transmission Service~~

~~Schedules for GITS must be submitted to SRP no later than 3:00 p.m. Pacific Prevailing Time (PPT) of the day prior to commencement of such service. Schedules submitted after 3:00 p.m. PPT of the day prior to commencement of such service will be accommodated, if practicable. Hourly and intra-hour (four intervals consisting of fifteen minute schedules) schedules of any capacity and energy that is to be delivered must be stated in increments of 1,000 kW per hour. GITS Customers within SRP's service area with multiple requests for GITS at a Point of Receipt, each of which is under 1,000 kW per hour, may consolidate their service requests at a common point of receipt into units of 1,000 kW per hour for scheduling and billing purposes. Scheduling changes and new schedules will be permitted up to twenty (20) minutes before the start of the next scheduling interval provided that the Delivering Party and Receiving Party also agree to the schedule modification, subject to the settlement provisions contained in Attachment S. SRP will furnish to the Delivering Party's system operator, schedules equal to those furnished by the Receiving Party and shall deliver the capacity and energy provided by such schedules. Should the GITS Customer, Delivering Party or Receiving Party revise or terminate any schedule, such party shall immediately notify SRP, and SRP shall have the right to adjust accordingly the schedule for capacity and energy to be received and to be delivered.~~

~~Service Availability~~

~~General Conditions~~

~~SRP will provide GITS over the Valley Network to Point(s) of Delivery on the Transmission System to any GITS Customer that has met all applicable requirements of the Tariff in Parts I, II and IV.~~

~~Determination of Available Transmission Capability~~

~~A description of SRP's specific methodology for assessing available transfer capability is posted on SRP's OASIS (Section 4) as described in Attachment C of this Tariff. In the event sufficient transfer capability may not exist to accommodate a service request, SRP will respond by performing a System Impact Study, at GITS Customer's expense, pursuant to Section 39.~~

~~Initiating Service in the Absence of an Executed Service Agreement~~

~~If SRP and the GITS Customer requesting GITS cannot agree on all the terms and conditions of the GITS Operating Agreement or Service Agreement, the GITS Customer may submit the disputed terms and conditions pursuant to the dispute resolution procedure of Section 12 of this Tariff. SRP may, in its sole discretion, commence providing GITS in compliance with this Tariff and all Applicable Reliability Standards to the GITS Customer under an unexecuted GITS Operating Agreement or Service Agreement containing terms and conditions deemed appropriate by SRP for such requested GITS, subject to the GITS Customer agreeing to (i) compensate SRP at its current rate, approved by SRP's Board of Directors, and (ii) comply with the terms and conditions of the Tariff including posting appropriate security deposits in accordance with the terms of Section 38.3.~~

~~Obligation to Provide GITS that Requires Expansion or Modification of the Transmission System, Redispatch, or Conditional Curtailment~~

~~If SRP determines that it cannot accommodate a Completed Application for GITS because of insufficient capability on the Transmission System, SRP will use due diligence to expand or modify the SRP Transmission System to provide the requested GITS, consistent with its planning~~

~~obligations in Attachment K, provided the GITS Transmission Customer agrees to compensate SRP for such costs pursuant to the terms of Section 44. SRP will conform to Good Utility Practice and its planning obligations in Attachment K in determining the need for new facilities and in the design and construction of such facilities. The obligation applies only to those facilities that SRP has the right to expand or modify.~~

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

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

~~Deferral of Service~~

~~SRP may defer providing service until it completes construction of new transmission facilities or upgrades needed to provide GITS whenever it determines that providing the requested service would, without such new facilities or upgrades, impair or degrade reliability to any existing firm services.~~

~~Real Power Losses~~

~~Real Power Losses are associated with all Transmission Service. The GITS Customer is responsible for paying for losses associated with all Transmission Service as provided in Schedule 10.~~

~~GITS Customer Responsibilities~~

~~Conditions Required of GITS Customers~~

~~GITS shall be provided by SRP only if the following conditions, among all others in this Part IV, and as applicable, Parts I and II of the Tariff, are satisfied by the GITS Customer:~~

~~The GITS Customer has pending a Completed Application for service;~~

~~The GITS Customer meets the creditworthiness criteria set forth in Section 11 and Attachment L of this Tariff;~~

~~The GITS Customer agrees to pay for any facilities constructed and chargeable to such GITS Customer under Part IV of the Tariff, whether or not the GITS Customer takes service for the full term of its reservation;~~

~~The GITS Customer provides the information required by SRP's planning process established in Attachment K; and~~

~~The GITS Customer has executed a Service Agreement for GITS or has agreed to receive service pursuant to Section 36.3.~~

~~The GITS Customer is subject to Attachment S regarding the EIM and must comply with its requirements.~~

~~GITS Customer Responsibility for Third Party Arrangements~~

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

~~Procedures for Initiating Generation Integration Transmission Service~~

~~Application~~

~~An Eligible Customer requesting GITS must submit a written Application in accordance with Section 38.2 via email to SRP at the following email address: srpt@srpnet.com and via United States Postal Service to Director, Transmission and Generation Operations, SRP, PO Box 52025, POB 013, Phoenix, AZ 85072-2025, at least sixty (60) days in advance of the month in which service is to commence. SRP will consider requests for such firm service on shorter notice when feasible. All GITS requests also must be submitted by entering the information listed below on SRP's OASIS. This method will provide a time-stamped record for establishing priority of the Application for GITS.~~

~~Completed Application~~

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

~~The identity, address, telephone number, e-mail address, and facsimile number of the entity requesting service;~~

~~A statement that the entity requesting service is, or will be upon commencement of service, an Eligible Customer under the Tariff;~~

~~The location of any Point(s) of Receipt and Point(s) of Delivery and, where available, the identities of the Delivering Parties and the Receiving Parties;~~

~~The location of the GITS Generation Resource supplying the capacity and energy and the location of the load ultimately served by the capacity and energy transmitted.~~

~~SRP will treat this information as confidential except to the extent that disclosure of this information is required by this Tariff, by regulatory or judicial order, for reliability purposes pursuant to Good Utility Practice or pursuant to RTG transmission information sharing agreements. SRP shall treat this information consistent with SRP's standards of conduct modelled upon Part 37 of the Commission's regulations;~~

~~A description of the supply characteristics of the capacity and energy to be delivered;~~

~~The capacity and energy expected to be delivered to the Receiving Party;~~

~~Any additional information required by SRP's planning process established in Attachment K; and~~

~~The Service Commencement Date and the term of the requested GITS. The minimum term for GITS is one (1) year and the maximum term is three (3) years.~~

~~SRP shall treat this information consistent with SRP's standards of conduct modelled upon Part 37 of the Commission's regulations.~~

~~Deposit~~

~~A Completed Application for GITS also shall include a deposit of one month's charge for Reserved Capacity. If the Application is rejected by SRP because it does not meet the conditions for service as set forth herein, said deposit shall be returned less all costs reasonably incurred by SRP in connection with the review of the Application. The deposit also will be returned less all costs reasonably incurred by SRP if SRP is unable to complete new facilities needed to provide the service. If an Application is withdrawn or the Eligible Customer decides not to enter into a Service Agreement for GITS, the deposit shall be refunded in full, less all costs reasonably incurred by SRP to the extent such costs have not already been recovered by SRP from the Eligible Customer. SRP will provide to the Eligible Customer a complete accounting of all costs deducted from the refunded deposit, which the Eligible Customer may contest if there is a dispute concerning the deducted costs. Deposits associated with construction of new facilities are subject to the provisions of Section 39. If a Service Agreement for GITS is executed, the deposit will be returned to the GITS Customer upon expiration or termination of the Service Agreement for GITS.~~

~~Regardless of the above, SRP may, on a non-discriminatory basis, waive the requirement that a deposit accompany an Application where the Eligible Customer has established its creditworthiness pursuant to Section 11 and Attachment L of this Tariff and is not in default in its obligations under this Tariff, as defined in Section 7.3 of this Tariff, at the time of the Application. The Eligible Customer shall compensate SRP for reasonable costs incurred in evaluating the Eligible Customer's creditworthiness.~~

~~Notice of Deficient Application~~

~~If an Application fails to meet the requirements of the Tariff, SRP shall notify the entity requesting service within twenty-one (21) days of receipt of the reasons for such failure. SRP will attempt to remedy minor deficiencies in the Application through informal communications with the Eligible Customer. If such efforts are unsuccessful, SRP shall return the Application, along with any~~

~~deposit. Upon receipt of a new or revised Application that fully complies with the requirements of Part IV of the Tariff, the Eligible Customer shall be assigned a new priority consistent with the date of the new or revised Application.~~

~~Response to a Completed Application~~

~~Following receipt of a Completed Application for GITS, SRP shall make a determination of available transfer capability as required in Section 36.2. SRP shall notify the Eligible Customer as soon as practicable, but not later than thirty (30) days after the date of receipt of a Completed Application either (i) if it will be able to provide service without performing a System Impact Study or (ii) if such a study is needed to evaluate the impact of the Application pursuant to Section 39.1. Responses by SRP must be made as soon as practicable to all Completed Applications (including applications by its own merchant function) and the timing of such responses must be made on a non-discriminatory basis.~~

~~In the notification provided to the Eligible Customer, SRP shall apprise the Eligible Customer which Valley Network Gates, if any, are available to deliver capacity and energy to a Point of Delivery requested by the Eligible Customer. If more than one Valley Network Gate is available, the Eligible Customer shall notify SRP within ten (10) days how it chooses to allocate available capacity among the Valley Network Gates, up to the maximum amount of capacity requested. Such allocation will be memorialized in the GITS Service Agreement.~~

~~Execution of Service Agreement~~

~~Whenever SRP determines that a System Impact Study is not required and that the service can be provided, it shall notify the Eligible Customer as soon as practicable but no later than thirty (30) days after receipt of the Completed Application. Where a System Impact Study is required, the provisions of Section 39 will govern the execution of a Service Agreement. Failure of an Eligible Customer to execute and return the Service Agreement or request that service be initiated pursuant to Section 36.3, within fifteen (15) days after it is tendered by SRP will be deemed a withdrawal and termination of the Application and any deposit submitted shall be refunded, less all costs reasonably incurred by SRP. Nothing herein limits the right of an Eligible Customer to file another Application after such withdrawal and termination.~~

~~Extensions for Commencement of Service~~

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

~~38.8—Completed Application for Participation in EIM using GITS~~

~~A GITS Customer that elects to participate in the EIM using a Service Agreement for GITS in accordance with Attachment S, shall submit a Completed Application for GITS consistent with Section 38.1 and provide the information requested in Section 38.2~~

~~Additional Study Procedures for GITS Requests~~

~~Notice of Need for System Impact Study~~

~~After receiving a request for service, SRP shall determine on a non-discriminatory basis whether a System Impact Study is needed. A general description of SRP's methodology for completing a System Impact Study is provided in Attachment E. If SRP determines that a System Impact Study is necessary to accommodate the requested service, it shall so inform the Eligible Customer, as soon as practicable. Once informed, the Eligible Customer shall, within ten (10) days notify SRP if it elects to have SRP study redispach or conditional curtailment as part of the System Impact Study. If notification is provided prior to tender of the System Impact Study Agreement, the Eligible Customer can avoid the costs associated with the study of these options. SRP shall within thirty (30) days of receipt of a Completed Application, tender a System Impact Study Agreement pursuant to which the Eligible Customer shall agree to reimburse SRP for performing the required System Impact Study. For a service request to remain a Completed Application, the GITS Eligible Customer shall execute the System Impact Study Agreement and return it to SRP within fifteen (15) days. If the Eligible Customer elects not to execute the System Impact Study Agreement, its Application shall be deemed withdrawn and its deposit, pursuant to Section 38.3, shall be returned, less all costs reasonably incurred by SRP.~~

~~System Impact Study Agreement and Cost Reimbursement~~

~~(i) The System Impact Study Agreement will specify SRP's estimate of the actual cost, and time for completion of the System Impact Study. The Eligible Customer will pay the actual cost of the System Impact Study. In performing the System Impact Study, SRP shall rely, to the extent reasonably practicable, on existing transmission planning studies. The Eligible Customer will not be assessed a charge for such existing studies; however, the Eligible Customer will be responsible for charges associated with any modifications to existing planning studies that are reasonably necessary to evaluate the impact of the Eligible Customer's request for service on the Transmission System. SRP will only perform the study, or portion thereof, upon receipt of funds from the Eligible Customer in an amount sufficient to fund the study work, or portion thereof. If SRP cannot continue, or complete, the study due to insufficiency of funds as paid in advance by the Eligible Customer, SRP will inform the Eligible Customer of the amount needed. Under no circumstances will SRP advance its own funds for any study work.~~

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

~~For System Impact Studies that SRP conducts on its own behalf, SRP shall record the cost of the System Impact Studies pursuant to Section 8.~~

~~System Impact Study Procedures~~

~~Upon receipt of an executed System Impact Study Agreement, SRP will use due diligence to complete the required System Impact Study within a ninety (90) day period. The System Impact~~

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

~~Facilities Study Procedures~~

~~If a System Impact Study indicates that additions or upgrades to the SRP Transmission System are needed to supply the Eligible Customer's service request, then SRP, within thirty (30) days of the completion of the System Impact Study, shall tender to the Eligible Customer a Facilities Study Agreement pursuant to which the Eligible Customer shall agree to reimburse SRP for performing the required Facilities Study. The Eligible Customer will be responsible for the payment of all actual Facilities Study costs incurred by SRP. SRP will only perform the study, or portion thereof, upon receipt of funds from the Eligible Customer in an amount sufficient to fund the study work, or portion thereof. If SRP cannot continue or complete the study due to insufficiency of funds as paid in advance by the Eligible Customer, SRP will notify the Eligible Customer of the amount needed that must be paid by Eligible Customer within ten (10) days of receipt of SRP's notice. Under no circumstance will SRP advance its own funds for any study work.~~

~~For a service request to remain a Completed Application, the Eligible Customer shall execute the Facilities Study Agreement and return it to SRP within fifteen (15) days. If the Eligible Customer elects not to execute the Facilities Study Agreement, its Application shall be deemed withdrawn and its deposit, pursuant to Section 38.3, shall be returned, less all costs reasonably incurred by SRP.~~

~~Upon receipt of an executed Facilities Study Agreement, SRP will use due diligence to complete the required Facilities Study within a ninety (90) day period. If SRP is unable to complete the Facilities Study in the allotted time period, SRP shall notify the Eligible Customer and provide an estimate of the time needed to reach a final determination along with an explanation of the reasons that additional time is required to complete the study. When completed, the Facilities Study will include a good faith estimate of (i) the cost of Direct Assignment Facilities to be charged~~

~~to the Eligible Customer, (ii) the GITS Customer's appropriate share of the cost of any required Network Upgrades, and (iii) the time required to complete such construction and initiate the requested service. The Eligible Customer shall provide SRP with a security acceptable to SRP equivalent to the costs of new facilities or upgrades consistent with commercial practices as established by the Uniform Commercial Code. The Eligible Customer shall have thirty (30) days to execute a Service Agreement or request that service be initiated pursuant to Section 36.3 of this Tariff and provide the required security or the request will no longer be a Completed Application and shall be deemed terminated and withdrawn.~~

~~Facilities Study Modifications~~

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

~~39.6—Withdrawal of Transmission Service Request~~

~~The Eligible Customer may withdraw its request for service at any time by written notice to SRP prior to the execution of a Service Agreement. The Eligible Customer will be responsible for all study costs incurred by SRP on or prior to the date SRP receives such notice of withdrawal. SRP will refund to the Eligible Customer all advance payments minus actual costs incurred by SRP as soon as SRP has fully accounted for such costs under standard accounting practices, which shall not exceed one hundred twenty (120) days after SRP's receipt of Eligible Customer's written notice of withdrawal of its Transmission Service Request.~~

~~Due Diligence in Completing New Facilities~~

~~SRP shall use due diligence to add necessary facilities or upgrade its Transmission System within a reasonable time. SRP will not upgrade its existing or planned Transmission System in order to provide the requested GITS if doing so would impair system reliability or otherwise impair or degrade existing firm service.~~

~~Partial Interim Service~~

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

~~Expedited Procedures for New Facilities~~

~~In lieu of the procedures set forth above, the Eligible Customer shall have the option to expedite the process by requesting SRP to tender at one time, together with the results of required studies, an "Expedited Service Agreement" pursuant to which the Eligible Customer would agree to compensate SRP for all costs incurred pursuant to the terms of the Tariff. In order to exercise this~~

~~option, the Eligible Customer shall request in writing an Expedited Service Agreement covering all of the above-specified items within thirty (30) days of receiving the results of the System Impact Study identifying needed facility additions or upgrades or costs incurred in providing the requested service. While SRP agrees to provide the Eligible Customer with its best estimate of the new facility costs and other charges that may be incurred, such estimate shall not be binding and the Eligible Customer must agree in writing to compensate SRP for all costs incurred pursuant to the provisions of the Tariff. The Eligible Customer shall execute and return such an Expedited Service Agreement within fifteen (15) days of its receipt or the Eligible Customer's request for service will cease to be a Completed Application and will be deemed terminated and withdrawn.~~

~~Procedures if SRP is Unable to Complete New Transmission Facilities for Generation Integration Transmission Service~~

~~Delays in Construction of New Facilities~~

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

~~Alternatives to the Original Facility Additions~~

~~When the review process of Section 40.1 determines that one or more alternatives exist to the originally planned construction project, SRP shall present such alternatives for consideration by the GITS Customer. If, upon review of any alternatives, the GITS Customer desires to maintain its Completed Application subject to construction of the alternative facilities, it may request SRP to submit a revised Service Agreement for GITS. In the event SRP concludes that no reasonable alternative exists and the GITS Customer disagrees, the GITS Customer may seek relief under the dispute resolution procedures pursuant to Section 12.~~

~~Refund Obligation for Unfinished Facility Additions~~

~~If SRP and the GITS Customer mutually agree that no other reasonable alternatives exist and the requested service cannot be provided out of existing capability under the conditions of Part IV of the Tariff, the obligation to provide the requested GITS shall terminate and any deposit made by the GITS Customer shall be returned, less all costs reasonably incurred by SRP through the time construction was suspended.~~

~~Provisions Relating to Transmission Construction and Services on the Systems of Other Utilities~~

~~Responsibility for Third-Party System Additions~~

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

~~Coordination of Third-Party System Additions~~

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

~~Changes in Service Specifications~~

~~Modifications on a Non-Firm Basis~~

~~The GITS Customer must designate the GITS Generation Resources from which capacity and energy will be transmitted by SRP using GITS. GITS Generation Resources may be aggregated into a single Point of Receipt. For the purpose of GITS, the Valley Network shall be deemed the Point of Receipt.~~

~~The GITS Customer also must identify a Point of Delivery on the SRP Transmission System. SRP will evaluate which Valley Network Gates, if any, are available to deliver capacity and energy to that Point of Delivery and, in coordination with the GITS Customer, memorialize one or more available Valley Network Gates in the GITS Service Agreement. If more than one Valley Network Gate is available, the GITS Customer may choose to allocate its capacity reservation, up to the maximum amount of Reserved Capacity, among multiple Valley Network Gates and such allocation will be memorialized in the GITS Service Agreement.~~

~~A Transmission Customer taking GITS may request SRP to provide Transmission Service on a non-firm basis through one or more Valley Network Gates or to a Point of Delivery other than a Valley Network Gates or Point of Delivery specified in the Service Agreement (i.e., a "Secondary Valley Network Gate" or a "Secondary Delivery Point"), in amounts not to exceed its total maximum amount of Reserved Capacity, without incurring an additional transmission service charge or executing a new Service Agreement, subject to the following conditions. A Transmission Customer taking GITS also may request SRP to provide Transmission Service on a non-firm basis through one or more Valley Network Gates using different capacity allocations among the Valley Network Gates than originally specified in its GITS Service Agreement, provided that such allocations do not exceed the total maximum amount of Reserved Capacity (Secondary Capacity Allocation).~~

~~(a) — Service provided through a Secondary Valley Network Gate, in a Secondary Capacity Allocation among Valley Network Gates, or to a Secondary Point of Delivery will be non-firm transmission service only, on an as-available basis and will not displace any firm or non-firm service reserved or scheduled by third parties under the Tariff or by SRP on behalf of its Native Load Customers.~~

~~(b) — The sum of all GITS, including any secondary non-firm transmission service provided to the Transmission Customer at any time pursuant to this Section shall not exceed the Reserved Capacity in the relevant Service Agreement under which such services are provided.~~

~~(c) — The GITS Customer shall retain its right to GITS at the Valley Network Gates and Point of Delivery specified in the relevant Service Agreement in the amount of its original capacity reservation.~~

~~Service through a Secondary Valley Network Gate, in a Secondary Capacity Allocation among Valley Network Gates, or to a Secondary Point of Delivery on a non-firm basis shall not require the filing of an Application for Non-Firm Point-to-Point Transmission Service under the Tariff.~~

~~Modification on a Firm Basis~~

~~Any request by a Transmission Customer taking GITS to modify service through a Secondary Valley Network Gate, in a Secondary Capacity Allocation among Valley Network Gates, or to a Secondary Point of Delivery on a firm basis shall be treated as a temporary redirect, and at the end of the time of the temporary redirect the GITS Customer will resume its original service rights at the Valley Network Gates or Point of Delivery and in the capacity amounts specified originally for those Valley Network Gates in its Service Agreement.~~

~~At the GITS Customer's election, a request to modify one or more Valley Network Gates or a Point of Delivery or to reallocate capacity among the Valley Network Gates on a firm basis may instead be treated as a permanent redirect in accordance with Section 38 of this Tariff.~~

~~While such new request is pending, the GITS Customer shall retain its priority for service at the existing firm Valley Network Gates or Point of Delivery and in the capacity amounts for those Valley Network Gates specified originally in its Service Agreement, including any right of first refusal as provided for in Section 2.1 of this Tariff.~~

~~If SRP determines it can accommodate the new service request, including a right of first refusal for capacity at the Valley Network Gates or to the Point of Delivery specified in the new request, the GITS Customer must accept service through any new Valley Network Gates, including any new allocation of capacity among the Valley Network Gates, and service to the new Point of Delivery and all rights to the original capacity allocation at the Valley Network Gates and to the Point of Delivery are permanently extinguished.~~

~~If SRP is unable to offer a right of first refusal for the new service in the requested capacity amounts at the Valley Network Gates or to the Point of Delivery, specified in the new request, the GITS Customer may elect to take service through such Valley Network Gates and to such new Point of Delivery as a temporary redirect, and at the end of the time of the temporary redirect, the GITS Customer will resume its original service rights at the Valley Network Gates or to the Point of Delivery and in the capacity amounts specified originally for those Valley Network Gates in its Service Agreement.~~

~~Metering and Power Factor Correction at Point(s) of Receipt and Point(s) of Delivery~~

~~Transmission Customer Obligations~~

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

~~SRP Access to Metering Data~~

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

~~Power Factor~~

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

~~Compensation for Transmission Service~~

~~Rates for GITS are provided in Schedule 11 appended to this Tariff, as may be changed from time to time. SRP shall use Part II or IV of this Tariff to make its Third Party Sales. SRP shall account for such use at the applicable Tariff rates, pursuant to Section 8.~~

~~Compensation for New Facilities Costs~~

~~Whenever a System Impact Study performed by SRP in connection with the provision of GITS identifies the need for new facilities, the GITS Customer shall be responsible for such costs.~~

SCHEDULE 1 Scheduling, System Control and Dispatch Service

This service is required to schedule the movement of power through, out of, within, or into a Balancing Authority Area. This service can be provided only by the operator of the Balancing Authority Area in which the transmission facilities used for transmission service are located. Scheduling, System Control and Dispatch Service is to be provided directly by SRP (if SRP is the Balancing Authority) or indirectly by SRP making arrangements with the Balancing Authority that performs this service for SRP's Transmission System. The Transmission Customer must purchase this service from SRP or the Balancing Authority. The charges for Scheduling, System Control and Dispatch Service are to be based on the rates set forth below, as such rates may be revised from time to time. To the extent the Balancing Authority performs this service for SRP, charges to the Transmission Customer are to reflect only a pass-through of the costs charged to SRP by that Balancing Authority. Additionally, all Transmission Customers are charged for SCHEDULE 1-A which is a pass-through of the MO Administrative costs assigned to the SRP WEIM Entity Scheduling Coordinator in accordance with Sections 4.5.1.1.4, 4.5.1.3, 11.22.8, and 29.11(i) of the MO Tariff.

Charges for Scheduling, System Control and Dispatch Service Charges will be assessed in accordance with this Tariff at a rate not to exceed:

Annual Rate:	\$2.80/kW-year
Monthly Rate:	\$0.23/kW-month
Weekly Rate:	\$0.05/kW-week
Daily Delivery:	
Monday through Saturday:	\$0.009/kW-day
Sunday and all NERC recognized holidays:	\$0.008/kW-day
Hourly Rates:	
On-Peak*:	\$0.56/MW-hour
Off-Peak*:	\$0.32/MW-hour

*On-Peak Hours and Off-Peak Hours are defined by the NERC standards adjusted for daylight savings time.

SCHEDULE 1-A
WEIM Administrative Service

This service recovers the administrative costs assessed by the WEIM MO to the SRP WEIM Entity in accordance with Sections 4.5.1.1.4, 4.5.1.3, 11.22.8, and 29.11(i) of the MO Tariff (EIM Administrative Charges). All Transmission Customers purchasing Transmission Service from the Transmission Provider shall be required to acquire EIM Administrative Service from the Transmission Provider.

WEIM Administrative Charges assigned to the SRP WEIM Entity shall be sub-allocated to Transmission Customers on the basis of Measured Demand for the time period in which the WEIM Administrative Charges were incurred.

For any additional services that the Transmission Customer elects to receive directly from the MO, any charges associated with those services will be allocated to the Transmission Customer by SRP.

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SCHEDULE 2

Reactive Supply and Voltage Control from Generation or Other Sources Service

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

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

Charges for Reactive Supply and Voltage Control from Generation Sources Service will be assessed in accordance with this Tariff at a rate not to exceed:

Annually <u>Rate</u> :	\$1.67/kW-year
Monthly <u>Rate</u> :	\$0.14/kW-month
Weekly <u>Rate</u> :	\$0.03/kW-week
Daily <u>Delivery</u> :	
Monday through Saturday:	\$0.005/kW-day
Sunday:	\$0.005/kW-day
Hourly <u>Rates</u> :	
On-Peak*:	\$0.33/MW-hour
Off-Peak*:	\$0.19/MW-hour

*On-Peak Hours and Off-Peak Hours are defined by the NERC standards adjusted for daylight savings time.

SCHEDULE 3

Regulation and Frequency Response Service

Regulation and Frequency Response Service is necessary to provide for the continuous balancing of resources (generation and interchange) with load and for maintaining scheduled interconnection frequency at sixty cycles per second (60 Hz). Regulation and Frequency Response Service is accomplished by committing on-line generation whose output is raised or lowered (predominantly through the use of automatic generating control equipment) and by other non-generation resources capable of providing this service as necessary to follow the moment-by-moment changes in load. The obligation to maintain this balance between resources and load lies with SRP (or the Balancing Authority Area operator that performs this function for SRP).

SRP will take into account the speed and accuracy of regulation resources in its determination of Regulation and Frequency Response reserve requirements, including as it reviews whether a self-supplying Transmission Customer has made alternative comparable arrangements. Upon request by the self-supply Transmission Customer, SRP will share with the Transmission Customer its reasoning and any related data used to make the determination of whether the Transmission Customer has made alternative comparable arrangements.

SRP must offer this service when the transmission service is used to serve load within its Balancing Authority Area. Additionally, SRP must offer this service when transmission service is used for sales and exports from generation located within the metered boundaries of SRP's Balancing Authority Area. The Transmission Customer must either purchase this service from SRP or make alternative comparable arrangements to satisfy its Regulation and Frequency Response Service obligation. The amount of and charges for Regulation and Frequency Response Service shall be based on the rates set forth below, as such rates may be revised from time to time. To the extent that a Balancing Authority other than SRP performs this service for SRP, charges to the Transmission Customer are to reflect only a pass-through of the costs charged to SRP by that Balancing Authority.

A Transmission Customer purchasing Regulation and Frequency Response Service will be required to purchase an amount of reserved capacity equal to 3.72% of the Transmission Customer's ~~Network~~ ~~Load~~ responsibility for NITS in each hour or equal to 3.72% of the Transmission Customer's Reserved Capacity for Point-to-Point Transmission Service ~~and GITS~~ in each hour. The billing determinants for this service shall be reduced by any portion of the same percentage of the purchase obligation that a Transmission Customer obtains from third parties or supplies itself.

This service is not intended to serve as a back-up or standby source of power to the Transmission Customer in the event of a discontinuance of service from the Transmission Customer's power supplier(s).

Charges for Regulation and Frequency Response Service will be assessed in accordance with this Tariff at a rate not to exceed:

\$9.45/MW-hour of Regulation and Frequency Response reserved

SCHEDULE 4 Energy Imbalance Service

This SCHEDULE 4 shall apply during such hours when SRP is participating in the WEIM and when the WEIM has not been suspended. In accordance with Section 10 of ATTACHMENT S of this Tariff, SCHEDULE 4-A shall apply during such hours when SRP is not participating in WEIM or when WEIM has been suspended.

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

SRP shall establish charges for energy imbalance as follows:

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

A spreadsheet showing the sub-hourly LAPS and LMPs of the previous month shall be accessible through the MO's OASIS.

SRP will not charge any rate or penalty under this Schedule for any Network load under 1 MW, as scheduling rules do not allow scheduling increments smaller than 1 MW.

Applicability to Interconnection Customers: To the extent the Interconnection Customer is a different entity than the Transmission Customer and controls the output of a generator located in the Transmission Provider's BAA, the Interconnection Customer may be subject to charges for Energy Imbalance Service (rather than the Transmission Customer) in accordance with this SCHEDULE 4.

SCHEDULE 4-A Energy Imbalance Service

In accordance with Section 10 of ATTACHMENT S of this Tariff, this SCHEDULE 4-A shall apply during such hours when SRP is not participating in WEIM or when WEIM has been suspended. SCHEDULE 4 shall apply during such hours when SRP is participating in WEIM and when WEIM has not been suspended.

Energy Imbalance Service is provided when a difference occurs between the scheduled and the actual delivery of energy to a load located within a Balancing Authority Area over a single hour. SRP must offer this service when the Transmission Service is used to serve load within its Balancing Authority Area. The Transmission Customer must either purchase this service from SRP or make alternative comparable arrangements, which may include use of non-generation resources capable of providing this service, to satisfy its Energy Imbalance Service obligation. To the extent the Balancing Authority performs this service for SRP, charges to the Transmission Customer are to reflect only a pass-through of the costs charged to SRP by that Balancing Authority. SRP may charge a Transmission Customer a penalty for either hourly energy imbalances under this Schedule or a penalty for hourly generator imbalances under SCHEDULE 9 for imbalances occurring during the same hour, but not both unless the imbalances aggravate rather than offset each other.

SRP has established charges for energy imbalance based on the deviation bands as follows:

- (i) deviations within +/- 1.5 percent (with a minimum of 2 MW) of the scheduled transaction to be applied hourly to any energy imbalance that occurs as a result of the Transmission Customer's scheduled transaction(s) will be netted on a monthly basis and settled financially, at the end of the month, at 100 percent of the Hourly Proxy Price;
- (ii) deviations greater than +/- 1.5 percent up to 7.5 percent (or greater than 2 MW up to 10 MW) of the scheduled transaction to be applied hourly to any energy imbalance that occurs as a result of the Transmission Customer's scheduled transaction(s) will be settled financially, at the end of each month, at 110 percent of the Hourly Proxy Price for under scheduling or 90 percent of the Hourly Proxy Price for over scheduling; and
- (iii) deviations greater than +/- 7.5 percent (or 10 MW) of the scheduled transaction to be applied hourly to any energy imbalance that occurs as a result of the Transmission Customer's scheduled transaction(s) will be settled financially, at the end of each month, at 125 percent of the Hourly Proxy Price for under scheduling or 75 percent of the Hourly Proxy Price for over scheduling.

For purposes of this Schedule, the Hourly Proxy Price is calculated using the published day ahead price index for hub pricing and volumes at Palo Verde for firm on-peak and off-peak prices as indicated on SRP's OASIS, as may be changed from time to time. The hourly prices used for calculating Energy Imbalance Services for the billing month will be posted on SRP's OASIS ten (10) days after the last day of the billing month. If the Energy Imbalance Service is provided during a time where no volumes were reported at the Palo Verde hub, the most recent firm on-peak and off-peak prices will be carried forward.

Notwithstanding the foregoing, deviations from scheduled transmission in order to respond to directives by SRP, a Balancing Authority, or a Reliability Coordinator shall not be subject to the deviation bands identified above and, instead shall be settled financially, at the end of the month,

at the appropriate Hourly Proxy Price. Such directives may include instructions to correct frequency decay, respond to a reserve sharing event, or change output to relieve congestion.

SRP shall not charge any rate or penalty under this Schedule for any Network Load under 1 MW, as scheduling rules do not allow scheduling in increments smaller than 1 MW.

Applicability to Interconnection Customers: To the extent the Interconnection Customer is a different entity than the Transmission Customer and controls the output of a generator located in the Transmission Provider's BAA, the Interconnection Customer may be subject to charges for Energy Imbalance Service (rather than the Transmission Customer) in accordance with this SCHEDULE 4-A.

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SCHEDULE 5

Operating Reserve — Spinning Reserve Service

Spinning Reserve Service is needed to serve load immediately in the event of a system contingency. Spinning Reserve Service may be provided by generating units that are on-line and loaded at less than maximum output and by non-generation resources capable of providing this service. SRP must offer this service when the transmission service is used to serve load within its Balancing Authority Area and to support other transmission usage sourced from generation in the Transmission Provider's Balancing Authority Area, including exports and sales. The Transmission Customer must either purchase this service from SRP or make alternative comparable arrangements to satisfy its Spinning Reserve Service obligation. The amount of and charges for Spinning Reserve Service shall be based on the rates set forth below, as such rates may be revised from time to time. To the extent the Balancing Authority performs this service for SRP, charges to the Transmission Customer are to reflect only a pass-through of the costs charged to SRP by that Balancing Authority.

A Transmission Customer purchasing Spinning Reserve Service will be required to purchase an amount of capacity equal to 3 percent of the Transmission Customer's monthly coincident peak hourly integrated load within the Transmission Provider's Balancing Authority Area. Transmission Customers with generating resources located within SRP's Balancing Authority Area, or generation which SRP has agreed to provide Contingency Reserve (as that term is defined in the NERC Glossary of Terms) responsibility through Dynamic Transfer, will also be required to purchase an amount equal to a 1.53-percent of the capacity of the specified generating resource identified as the "source" in the Transmission Customer's transmission schedule. This additional purchase will be required unless another Balancing Authority has agreed to carry the Contingency Reserve responsibility, through Dynamic Transfer, for the relevant generation resource. The billing determinants for this service shall be reduced by any portion of the required purchase obligation that a Transmission Customer obtains from third parties or supplies itself.

This service is not intended to serve as a back-up or standby source of power to the Transmission Customer in the event of a discontinuance of service from the Transmission Customer's power supplier(s). In the event there is a discontinuance of service by such power supplier(s), the Transmission Customer's Network load-Load (including Operating Reserve – Spinning Reserve Service) may be curtailed unless alternate arrangements for standby service have been arranged in advance.

Charges for Operating Reserve – Spinning Reserve Service will be assessed in accordance with this Tariff at a rate not to exceed:

\$11.72/MW-hour of Spinning Reserve Capacity

A Transmission Customer purchasing Spinning Reserve Service will be required to purchase an amount of reserved capacity equal to 1.53 percent of the Transmission Customer's load responsibility in each hour. The billing determinant for this service shall be reduced by any portion of the 3 percent purchase obligation that a Transmission Customer obtains from third parties or supplies itself.

SCHEDULE 6

Operating Reserve — Supplemental Reserve Service

Supplemental Reserve Service is needed to serve load in the event of a system contingency; however, it is not available immediately to serve load but rather within a short period of time. Supplemental Reserve Service may be provided by generating units that are on-line but unloaded, by quick-start generation or by interruptible load or other non-generation resources capable of providing this service. SRP must offer this service when the transmission service is used to serve load within its Balancing Authority Area and to support other transmission usage sourced from generation in the Transmission Provider's Balancing Authority Area, including exports and sales. The Transmission Customer must either purchase this service from SRP or make alternative comparable arrangements to satisfy its Supplemental Reserve Service obligation. The amount of and charges for Supplemental Reserve Service shall be based on the rates set forth below, as such rates may be revised from time to time. To the extent the Balancing Authority performs this service for SRP, charges to the Transmission Customer are to reflect only a pass-through of the costs charged to SRP by that Balancing Authority.

A Transmission Customer purchasing Supplemental Reserve Service will be required to purchase an amount of capacity equal to 3 percent of Transmission Customer's monthly coincident peak hourly integrated load within the Transmission Provider's Balancing Authority Area. Transmission Customers with generating resources located within SRP's Balancing Authority Area, or generation which SRP has agreed to provide Contingency Reserve responsibility through dynamic signal, will also be required to purchase an amount equal to ~~1.54~~ 1.53 percent of the capacity of the specified generating resource identified as the "source" in the Transmission Customer's transmission schedule. This additional purchase will be required unless another Balancing Authority has agreed to carry the Contingency Reserve responsibility, through dynamic signal, for the relevant generation resource. The billing determinant for this service shall be reduced by any portion of the required purchase obligation that a Transmission Customer obtains from third parties or supplies itself. The amount of purchase obligation a Transmission Customer obtains from third parties or supplies itself must be identified for the purchase period (annually, monthly, weekly, etc.) prior to taking service.

This service is not intended to serve as a back-up or standby source of power to the Transmission Customer in the event of a discontinuance of service from the Transmission Customer's power supplier(s). In the event there is a discontinuance of service by such power supplier(s), the Transmission Customer's load (including Operating Reserve – Supplemental Reserve Service) may be curtailed unless alternate arrangements for standby service have been arranged in advance.

Charges for Operating Reserve – Supplemental Reserve Service will be assessed in accordance with this Tariff at a rate not to exceed:

\$10.70/MW-hour of Supplemental Reserve Capacity

A Transmission Customer purchasing Supplemental Reserve Service will be required to purchase an amount of reserved capacity equal to ~~1.53~~ 1.53 percent of the Transmission Customer's ~~Network~~ Load responsibility in each hour. The billing determinant for this service shall be reduced by any portion of the 3 percent purchase obligation that a Transmission Customer obtains from third parties or supplies itself.

SCHEDULE 7

Long-Term Firm and Short-Term Firm Point-to-Point Transmission Service

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

- 1) Yearly Delivery: One-twelfth of the demand charge of \$30.78/kW-
Year for the amount of Reserved Capacity, billed monthly
- 2) Monthly Delivery: \$2.56/kW-month for the amount of Reserved Capacity
- 3) Weekly Delivery: \$0.59/kW-week for the amount of Reserved Capacity
- 4) Daily Delivery:
 - Monday through Saturday: \$0.10/kW-day for the amount of Reserved Capacity
 - Sunday: \$0.08/kW-day for the amount of Reserved Capacity
- 5) Hourly Delivery:
 - On-Peak*: \$6.17/MW-hour for the amount of Reserved Capacity
 - Off-Peak*: \$3.51/MW-hour for the amount of Reserved Capacity

*On-Peak Hours and Off-Peak Hours are defined by the NERC standards adjusted for daylight savings time.

~~The total demand charge in any week, pursuant to a reservation for Daily Delivery, shall not exceed the rate specified in Section (3) above multiplied by the highest amount in kilowatts of Reserved Capacity in any day during such week.~~ 6) Sliding Yearly Delivery: The price posted on SRP's OASIS at the time of service for the amount of Reserved Capacity.

Sliding Yearly delivery starts at 00:00 of any date and stops at 00:00 on the same date of the following or subsequent years. If there is no corresponding date in the following year, the service stops at 24:00 on the last day of the same month in the following year.

For example: Sliding Yearly service starting at 00:00 on February 10 would stop at 00:00 on February 10 of the following year. Sliding Yearly service starting on February 29 would stop on February 28 of the following year.

- 7) Sliding Monthly Delivery: The price posted on SRP's OASIS at the time of service for the amount of Reserved Capacity.

Sliding Monthly Delivery starts at 00:00 of any date and stops at 24:00 on the same date of the next month (28-31 days later) or at 24:00 on the last day of the next month. If there is no corresponding date in the following month, the service stops at 24:00 on the last day of the next month.

For example: Sliding Monthly starting at 00:00 on January 10 would stop at 24:00 on February 9 (same as 00:00 January 10). Sliding Monthly starting at 00:00 on January 30 would stop at 24:00 on February 28 (same as 00:00 March 1).

- 8) Sliding Weekly Delivery: The price posted on SRP's OASIS at the time of service for the amount of Reserved Capacity.

Sliding Weekly delivery starts at 00:00 of any date and stops at 24:00 on the same date of the next week (7 days later) or at 24:00 after the seventh day of service.

For example: Sliding Weekly starting at 00:00 on Monday would stop at 24:00 the following Sunday.

- 9) Sliding Daily Delivery: The price posted on SRP's OASIS at the time of service for the amount of Reserved Capacity

For example: Sliding Daily delivery starts at the beginning of any hour of the day and stops exactly 24 hours later at the same time on the next day.

- 10) Discounts: Three principal requirements apply to discounts for transmission service as follows:

(1) Any offer of a discount made by SRP must be announced to all Eligible Customers by solely posting on the OASIS.

(2) Any customer-initiated requests for discounts (including requests for use by one's wholesale merchant or an Affiliate's use) must occur solely by posting on the OASIS and

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

- 11) Overrun Charges: SRP will assess a charge for unauthorized use of transmission service. The charge will be applied to use in excess of the reservation amount (the overrun), which shall be the difference between the maximum integrated hourly amount of transmission service actually used by the customer less the amount of transmission service the customer has reserved for such hour. The charge assessed shall be equal to two (2) times the current maximum allowable rate of the applicable Firm Point-to-Point Transmission Service at the time of the unauthorized use, assessed against the hour with the highest level of use during the time period in which the overrun occurred. If no transmission service has been reserved for such hour, and it is determined that the customer has used SRP transmission, the customer will be charged the Overrun Charge. Ancillary Services will be charged in connection with the unauthorized use of transmission service and will be based on the actual period of the overrun.

12) Resales: The rates and rules governing charges and discounts stated above shall not apply to resales of Transmission Service, compensation for which shall be governed by Section 23 of this Tariff.

SCHEDULE 8 Non-Firm Point-to-Point Transmission Service

The Transmission Customer shall compensate SRP each month for Non-Firm Point-to-Point Transmission Service up to the sum of the applicable charges as set forth below:

- 1) Monthly Delivery: \$2.56/kW-month for the amount of Reserved Capacity
- 2) Weekly Delivery: \$0.59/kW-week for the amount of Reserved Capacity
- 3) Daily Delivery:
 - Monday through Saturday: \$0.10/kW-day for the amount of Reserved Capacity
 - Sunday: \$0.08/kW-day for the amount of Reserved Capacity
- 4) Hourly Delivery:
 - On-Peak*: \$6.17/MW-hour for the amount of Reserved Capacity
 - Off-Peak*: \$3.51/MW-hour for the amount of Reserved Capacity

*On-Peak Hours and Off-Peak Hours are defined by the NERC standards adjusted for daylight savings time.

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

- 5) Discounts: Three principal requirements apply to discounts for transmission service as follows:
 - a. Any offer of a discount made by SRP must be announced to all Eligible Customers by solely posting on the OASIS;
 - b. Any customer-initiated requests for discounts (including requests for use by one's wholesale merchant or an Affiliate's use) must occur solely by posting on the OASIS; and
 - c. Once a discount is negotiated, details must be immediately posted on the OASIS. For any discount agreed upon for service on a path, from point(s) of receipt to point(s) of delivery, SRP must offer the same discounted transmission service rate for the same time period to all Eligible Customers on all unconstrained transmission paths that go to the same point(s) of delivery on the Transmission System.

- 6) Overrun Charges: SRP will assess a charge for unauthorized use of transmission service. The charge will be applied to use in excess of the reservation amount (the overrun), which shall be the difference between the maximum integrated hourly amount of transmission service actually

used by the customer less the amount of transmission service the customer has reserved for such hour. The charge assessed shall be equal to two (2) times the current maximum allowable rate of the applicable Firm Point-to-Point Transmission Service at the time of the unauthorized use, assessed against the hour with the highest level of use during the time period in which the overrun occurred. If no transmission service has been reserved for such hour, and it is determined that the customer has used SRP transmission, the customer will be charged the Overrun Charge. Ancillary Services will be charged in connection with the unauthorized use of transmission service and will be based on the actual period of the overrun.

7) Resales: The rates and rules governing charges and discounts stated above shall not apply to resales of Transmission Service, compensation for which shall be governed by Section 23 of this Tariff.

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SCHEDULE 9

Generator Imbalance Service

This SCHEDULE 9 shall apply during such hours when SRP is participating in the WEIM and when the WEIM has not been suspended. In accordance with Section 10 of ATTACHMENT S of this Tariff, SCHEDULE 9-A shall apply during such hours when SRP is not participating in the WEIM or when the WEIM has been suspended.

Generator Imbalance Service is provided when a difference occurs between the output of a SRP WEIM Non-Participating Resource, a generator located in SRP's BAA Balancing Authority Area, as reflected in that is not an EIM Participating Resource, and the resource component of the Transmission Customer Base Schedule from that generator to: (4i) another BAA Balancing Authority Area; or (2ii) a load within SRP's BAA Balancing Authority Area over a 5-minute interval single hour. The Transmission Provider SRP must offer this service, to the extent it is physically feasible to do so from its resources or from resources available to it, when Transmission Service is used to deliver energy from a generator located within its BAA Balancing Authority Area.

Transmission Customers must either purchase this service from the Transmission Provider SRP or make alternative comparable arrangements, which may include use of non-generation resources capable of providing this service, to satisfy its Generator Imbalance Service obligation. If a BA other than SRP performs this service for the Transmission Provider, charges to the Transmission Customer are to reflect only a pass-through of the costs charged to the Transmission Provider by that BAA operator.

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

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

The following provisions shall apply to Transmission Customers which have received a Manual Dispatch or EIM WEIM Available Balancing Capacity dispatch, or which have communicated physical changes in the output of resources to the MO or for other reasons imbalance energy is calculated by the MO:

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

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

and

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

(b) Generator Imbalance Service measured as the deviation of either the Manual Dispatch amount, the EIMWEIM Available Balancing Capacity dispatch amount, or physical changes in the output of resources incorporated by the MO in RTD ~~or for other instructions by the MO~~, compared to the FMM schedule, as IIE ~~calculated by the MO~~ for the period of the deviation at the applicable PNode RTD price where the generator is located, as determined by the MO under Section 29.11(b)(2)(A)(ii) of the MO Tariff.

A Spreadsheet showing the sub-hourly LMPs of the previous month shall be accessible through the MO's OASIS.

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

SCHEDULE 9-A Generator Imbalance Service

In accordance with Section 10 of ATTACHMENT S of this Tariff, this SCHEDULE 9-A shall apply during such hours when SRP is not participating in WEIM or when WEIM has been suspended. SCHEDULE 9 shall apply during such hours when SRP is participating in WEIM and when WEIM has not been suspended.

Generator Imbalance Service is provided when a difference occurs between the output of a generator located in SRP's Balancing Authority Area and a delivery schedule from that generator to (1) another Balancing Authority Area or (2) a load within the Transmission Provider's Balancing Authority Area over a single hour. SRP must offer this service, to the extent it is physically feasible to do so from its resources or from resources available to it, when Transmission Service is used to deliver energy from a generator located within its Balancing Authority Area. The Transmission Customer must either purchase this service from the Transmission Provider or make alternative comparable arrangements, which may include use of non-generation resources capable of providing this service, to satisfy its Generator Imbalance Service obligation. To the extent the Balancing Authority performs this service for the Transmission Provider; charges to the Transmission Customer are to reflect only a pass-through of the costs charged to the Transmission Provider by that Balancing Authority. The Transmission Provider may charge a Transmission Customer a penalty for either hourly generator imbalances under this Schedule or a penalty for hourly energy imbalances under SCHEDULE 4 for imbalances occurring during the same hour, but not both unless the imbalances aggravate rather than offset each other.

SRP shall establish charges for generator imbalance based on the deviation bands as follows:

- (i) deviations within +/- 1.5 percent (with a minimum of 2 MW) of the scheduled transaction to be applied hourly to any generator imbalance that occurs as a result of the Transmission Customer's scheduled transaction(s) will be netted on a monthly basis and settled financially, at the end of the month, at 100 percent of the Hourly Proxy Price;
- (ii) deviations greater than +/- 1.5 percent up to 7.5 percent (or greater than 2 MW up to 10 MW) of the scheduled transaction to be applied hourly to any generator imbalance that occurs as a result of the Transmission Customer's scheduled transaction(s) will be settled financially, at the end of each month, at 110 percent of the Hourly Proxy Price for under scheduling or 90 percent of the Hourly Proxy Price for over scheduling; and
- (iii) deviations greater than +/- 7.5 percent (or 10 MW) of the scheduled transaction to be applied hourly to any generator imbalance that occurs as a result of the Transmission Customer's scheduled transaction(s) will be settled financially, at the end of each month, at 125 percent of the Hourly Proxy Price for under scheduling or 75 percent of the Hourly Proxy Price for over scheduling, except that a Variable Energy Resource will be exempt from this deviation band and will pay the deviation band charges for all deviations greater than the larger of 1.5 percent or 2 MW.

Notwithstanding the foregoing, deviations from scheduled transactions in order to respond to directives by SRP, a balancing authority, or a reliability coordinator shall not be subject to the deviation bands identified above and, instead, shall be settled financially, at the end of the month, at 100 percent of the Hourly Proxy Price. Such directives may include instructions to correct frequency decay, respond to a reserve sharing event, or change output to relieve congestion.

For purposes of this Schedule, the Hourly Proxy Price is calculated using the published day ahead price index for hub pricing and volumes at Palo Verde for firm on-peak and off-peak prices as indicated on SRP's OASIS, as may be changed from time to time. The hourly prices used for calculating Generator Imbalance Services for the billing month will be posted on SRP's OASIS 10 days after the last day of the billing month. If the Generator Imbalance Service is provided during a time where no volumes were reported at the Palo Verde hub, the most recent firm on-peak and off-peak prices will be carried forward.

Applicability to Interconnection Customers: To the extent the Interconnection Customer is a different entity than the Transmission Customer and controls the output of a generator located in the Transmission Provider's BAA, the Interconnection Customer may be subject to charges for Generator Imbalance Service (rather than the Transmission Customer) in accordance with this SCHEDULE 9-A.

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SCHEDULE 10

Real Power Loss Service

The Transmission Customer taking Network Integration Transmission Service, Firm Point-to-Point, ~~or~~ Non-Firm Point-to-Point Transmission Service ~~or GTS~~ shall reimburse SRP for Real Power Losses as provided in Sections 15.7, ~~and~~ 27.5 ~~and 36.6~~ of this Tariff. The Transmission Customer must financially settle for Real Power Losses by reimbursement as specified herein.

The procedures to determine the amount of Real Power Losses associated with a Transmission Customer's Base Schedule, as well as the reimbursement for Real Power Losses are set forth below.

The amount of Real Power Losses assessed to a Transmission Customer in a given hour shall be the product of such Transmission Customer Base Schedule during the hour in MWhs and the applicable loss factor. If SRP provides a Transmission Customer Transmission Service for a Dynamic Transfer, which is not reflected in the Transmission Customer's Base Schedule, the amount of Real Power losses assessed to the Transmission Customer for Transmission Service for that Dynamic Transfer shall be the product of the after-the-fact energy schedule and the applicable loss factor set forth below.

The Transmission Customer shall compensate SRP at a loss factor of 3.24 percent of energy scheduled by such Transmission Customer in a given hour multiplied by the hourly LAP price for the SRP ~~EMWEIM~~ Entity BAA-Balancing Authority Area in that hour as established by the MO under section 29.11(b)(3)(C) of the MO Tariff.

In the event the hourly LAP price is not available, the Hourly Proxy Price is calculated using the published day ahead price index for hub pricing and volumes at Palo Verde for firm on-peak and off-peak prices as indicated on SRP's OASIS, as may be changed from time to time.

In no event will the hourly LAP price or the Hourly Proxy Price be less than zero under this SCHEDULE 10.

The hourly prices used for calculating Energy Imbalance Services for the billing month will be posted on SRP's OASIS ten (10) days after the last day of the billing month. If the Energy Imbalance Service is provided during a time where no volumes were reported at the Palo Verde hub, the most recent firm on-peak and off-peak prices will be carried forward.

SCHEDULE 11
[Reserved for Future Use]

~~Generation Integration Transmission Service~~

~~The GITS Transmission Customer shall compensate SRP each month the sum of the applicable charges set forth below:~~

~~1) Yearly Delivery: One-twelfth of the demand charge of \$30.78 kW-Year for the amount of Reserved Capacity.~~

~~2) Sliding Yearly Delivery: The price posted in SRP's Tariff for yearly service shall apply to Sliding Yearly Service as well.~~

~~Sliding Yearly Delivery starts at 00:00 of any date and stops at 00:00 on the same date of the following or subsequent years. If there is no corresponding date in the following year, the service stops at 24:00 on the last day of the same month in the following year.~~

~~For example: Sliding Yearly service starting at 00:00 on February 10 would stop at 00:00 on February 10 of the following year. Sliding Yearly service starting on February 29 would stop on February 28 of the following year.~~

~~3) Overrun Charges: SRP will assess a charge for unauthorized use of transmission service. The charge will be applied to use in excess of the reservation amount ("the overrun"), which shall be the difference between the maximum integrated hourly amount of transmission service actually used by the customer less the amount of transmission service the customer has reserved for such hour. The charge assessed shall be equal to two (2) times the current maximum allowable rate of the applicable Generation Integration Transmission Service at the time of the unauthorized use, assessed against the hour with the highest level of use during the time period in which the overrun occurred. If no transmission service has been reserved for such hour, and it is determined that the customer has used SRP transmission, the customer will be charged the Overrun Charge. Ancillary Services will be charged in connection with the unauthorized use of transmission service and will be based on the actual period of the overrun.~~

SCHEDULE 12

Network Integration Transmission Service

~~TransmissionThe amount of, and Refer to Section 33 of this Tariff for the rates and charges for, Transmission Service for Network Customers are posted on SRP's OASIS and may be changed from time to time.~~

Overrun Charges: SRP will assess a charge for unauthorized use of transmission service. The charge will be applied to unauthorized use of NITS to make an off-system wholesale sale and use in excess of the amount of capacity designated by the NITS Transmission Customer at the Points of Receipt(s) and the amount of capacity allocated for use by the NITS Transmission Customer at the Valley Network Gate(s), as memorialized in the NITS Service Agreement, reservation amount (the overrun), which shall be the difference between the maximum integrated hourly amount of transmission service actually used by the customer less the amount of transmission service the customer has reserved for such hour. The charge assessed shall be equal to two (2) times the maximum allowable rate of the applicable Firm Point-to-Point Transmission Service for the ~~P~~path(s) between the Point(s) of Receipt and Valley Network Gate(s), then currently posted on the SRP OASIS at the time of the unauthorized use, assessed against the hour with the highest level of use during the time period in which the overrun occurred. Ancillary Services will be charged in connection with the unauthorized use of transmission service and will be based on the actual period of the overrun.

ATTACHMENT A
Form of Agreement for Short-Term Firm and Non-Firm Point-to-Point Transmission Service

1.0 This Agreement for Short-Term Firm or Non-Firm Point-to-Point Transmission Service ("Short-Term Service Agreement"), dated as of _____, is entered into, by and between Salt River Project Agricultural Improvement and Power District ("SRP"), an agricultural improvement district organized under the laws of the State of Arizona, and _____ ("Transmission Customer").

2.0 SRP shall provide Short-Term Point-to-Point Transmission Service to the Transmission Customer for each transaction requested under this Short-Term Service Agreement once the Transmission Customer has satisfied the following conditions:

2.1 The Transmission Customer has been determined by SRP to be an Eligible Customer under Parts I and II of the Tariff.

2.2 The Transmission Customer has been determined by SRP to have submitted on SRP's OASIS a Completed Application.

2.3 The Transmission Customer has requested Short-Term Point-to-Point Transmission Service on a path posted on SRP's OASIS for which there is sufficient available transfer capability for the requested term and class (FIRM, NON-FIRM, etc.) and for which there is no competing request of higher priority as determined pursuant to the NAESB Business Practice Standards adopted by the Federal Energy Regulatory Commission (FERC).

2.4 If the transaction requested was not pre-confirmed, the Transmission Customer has confirmed the approved purchase on OASIS. The Transmission Customer must confirm a reservation within the response timing required by the NAESB Business Practice Standards adopted by FERC or the request will be deemed withdrawn.

2.5 The Transmission Customer has provided to SRP an Application deposit, if required pursuant to Section 17.3 or 18.3 of the Tariff, or SRP has waived the Application deposit.

2.6 The Transmission Customer has complied with SRP's creditworthiness requirements. SRP shall have the right to periodically review the Transmission Customer's ability to comply with SRP's creditworthiness requirements during the term of any transaction entered into under this Short-Term Service Agreement and to require the Transmission Customer to provide additional security, if determined necessary by SRP, pursuant to Section 11 and ATTACHMENT L of the Tariff.

2.7 If the Transmission Customer requests "umbrella" type service, this Short-Term Service Agreement provides an "umbrella" Point-to-Point Transmission Service in accordance with provisions in Part II of the Tariff.

2.8 Requests for specific short-term Transmission Service shall be evaluated on an individual basis upon the Transmission Customer providing SRP the information regarding each transaction as set forth in Sections 18.2(i) and 18.2(iii) – 18.2(vii) (inclusive) of the

Tariff, along with any required credit support pursuant to ATTACHMENT L of the Tariff. Requests for specific Point-to-Point Transmission Service transactions must be submitted on SRP's OASIS.

3.0 The Transmission Customer agrees to supply information SRP deems reasonably necessary in accordance with the provisions of Parts I and II of the Tariff and this Short-Term Service Agreement, and NAESB Business Practice Standards adopted by FERC.

4.0 Once the Transmission Customer has met the conditions in Section 2 hereof, SRP agrees to provide and the Transmission Customer agrees to take and pay for Short-Term Point-To-Point Transmission Service and Ancillary Services requested for a transaction in accordance with the provisions of Parts I and II of the Tariff and this Short-Term Service Agreement, and the rates and charges agreed to for each transaction.

5.0 SRP agrees to provide and the Transmission Customer agrees to take and pay for Short-Term Point-To-Point Transmission Service in accordance with the provisions of Part II of the Tariff and this Short-Term Service Agreement.

6.0 Any notice or request, made to or by either Party regarding this Short-Term Service Agreement shall be made to the representative of the other Party as indicated below.

SRP:

Via United States Postal Service:

**Director
Transmission and Generation Operations
SRP
P. O. Box 52025, POB013
Phoenix, AZ 85072-2025**

Hand Delivery:

**Director
Transmission and Generation Operations
POB 013
SRP – Central Mail Receiving Station
1600 N Priest Dr.
Tempe, AZ 85288-8100**

Transmission Customer:

Via United States Postal Service:

7.0 The validity, interpretation and performance of this Short-Term Service 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.

8.0 The Tariff is incorporated herein, made a part hereof and all Parties to this Short-Term Service Agreement are bound to comply with applicable Tariff terms and conditions.

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

SRP:

By: _____	_____
Printed Name	Signature
_____	_____
Title	Date

Transmission Customer:

By: _____	_____
Company Name and Company Code	D&B D-U-N-S Number
By: _____	_____
Printed Name	Signature
_____	_____
Title	Date

ATTACHMENT A-1

Form of Agreement for the Resale of SRP Point-to-Point Transmission Service

~~An existing SRP Transmission Customer in good standing may resell Point-to-Point Transmission Service (“Reseller”) to another party (“Assignee”), which hereinafter may be referred to collectively as “Parties” and individually as “Party.” Both Reseller and Assignee must execute this Service Agreement for the Resale of SRP Transmission Service (“Service Agreement”) prior to the scheduling of any Resale transmission service for which SRP is the primary transmission provider.~~

~~1.0 This Service Agreement, dated as of _____, is entered into, by and between Salt River Project Agricultural Improvement and Power District (“SRP”), an agricultural improvement district organized under the laws of the State of Arizona, _____, (“Reseller”), and _____ (“Assignee”).~~

~~2.0 Terms used herein with initial capitalization, whether in the singular or the plural, shall have the meanings specified in the Tariff and are hereby incorporated into this Service Agreement. Terms used herein, whether in the singular or the plural, which are not defined in the Tariff shall have the meanings set forth below:~~

~~2.1 Parent Reservation – an existing, confirmed reservation being modified by a Resale.~~

~~2.2 Resale – The request to convey scheduling rights associated with a reservation for Point-to-Point Transmission Service from a Reseller to an Assignee.~~

~~3.0 SRP shall provide Point-to-Point Transmission Service and Ancillary Services to the Assignee in accordance with Section 23 of the Tariff for each Resale transaction requested under this Service Agreement after each of the following conditions has been satisfied:~~

~~3.1 Assignee has been determined by SRP to be an Eligible Customer under Parts I and II of the Tariff pursuant to which the transmission service rights to be transferred were originally obtained.~~

~~3.2 Assignee has entered into an agreement for Resale with Reseller;~~

~~3.3 Reseller has been determined by SRP to have submitted on SRP’s OASIS a Completed Application and its Transmission Service Request has been granted by SRP;~~

~~3.4 Reseller and Assignee have executed this Service Agreement;~~

~~3.5 Reseller is reselling to Assignee Point-to-Point Transmission Service (Parent Reservation) purchased on SRP’s OASIS for which SRP is the primary transmission provider and for which there is sufficient available capacity on the Parent Reservation for the requested duration. The transmission service being resold may not have been previously scheduled, redirected, resold or otherwise encumbered; and~~

~~3.6 The Resale transaction must be confirmed on OASIS prior to scheduling the capacity.~~

~~4.0 — Assignee agrees to supply information SRP deems reasonably necessary in accordance with the provisions of Parts I and II of the Tariff and this Service Agreement, and NAESB Business Practice Standards adopted by FERC.~~

~~5.0 — Once the Assignee has met the conditions in Section 3 herein, SRP agrees to provide and the Assignee agrees to take Point-to-Point Transmission Service and Ancillary Services requested for a transaction in accordance with the provisions of Parts I and II of the Tariff and this Service Agreement.~~

~~6.0 — Assignee acknowledges that it may be required by Reseller to compensate Reseller for any and all financial obligations and payments to SRP under the Service Agreement for the Parent Reservation, including without limitation, payments for Real Power Losses and penalties.~~

~~7.0 — Assignee has complied with SRP's creditworthiness requirements. SRP shall have the right to periodically review the Assignee's ability to comply with SRP's creditworthiness requirements during the term of any transaction entered into under this Service Agreement and to require the Assignee to provide additional security, if determined necessary by SRP, pursuant to Section 11 and Attachment L of the Tariff.~~

~~8.0 — The terms and conditions for the transaction entered into under this Service Agreement shall be subject to the terms and conditions of Part II of the Tariff, except for those terms and conditions negotiated by the Reseller of the reassigned transmission capacity (pursuant to Section 23.1 of the Tariff) and the Assignee, to include: contract effective and termination dates, the amount of reassigned capacity or energy, and point(s) of receipt and delivery. Changes by the Assignee to the Reseller's Point(s) of Receipt and Point(s) of Delivery will be subject to the provisions of Section 23.2 of the Tariff.~~

~~9.0 — Any Resale reservation is subject to displacement should the Parent Reservation be displaced by a higher priority request.~~

~~10.0 — Any notice or request, made to or by either Party regarding this Service Agreement shall be made to the representative of the other Party as indicated below.~~

~~SRP:~~

~~Via United States Postal Service:~~

~~Director~~

~~Transmission and Generation Operations~~

~~SRP~~

~~P. O. Box 52025, POB 013~~

~~Phoenix, AZ 85072-2025~~

Hand Delivery:

Director

Transmission and Generation Operations

POB 013

SRP – Central Mail Receiving Station

2727 E. Washington Street

Phoenix, AZ 85034-1403

Assignee:

Via United States Postal Service:

Reseller:

Via United States Postal Service:

~~11.0 The validity, interpretation and performance of this Service 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.~~

~~12.0 The Tariff is incorporated herein, made a part hereof and all Parties to this Service Agreement are bound to comply with applicable Tariff terms and conditions.~~

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

SRP:

By: _____

_____ **Printed Name** _____ **Signature**

_____ **Title** _____ **Date**

Reseller:

By: _____

_____ **Company Name** _____ **Company Code**

By: _____

_____ **Printed Name** _____ **Signature**

_____ **Title** _____ **Date**

Assignee:

By: _____

Company Name _____ **Company Code**

By: _____

Printed Name _____ **Signature**

Title _____ **Date**

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ATTACHMENT B
Form of Agreement for Long-Term Firm Point-to-Point Transmission Service

- 1.0 This Service Agreement for Long-Term Firm Point-to-Point Transmission Service ("~~Long-Term~~ Service Agreement"), dated as of _____, is entered into, by and between Salt River Project Agricultural Improvement and Power District ("SRP"), an agricultural improvement district organized under the laws of the State of Arizona, and _____ ("Transmission Customer").
- 2.0 The Transmission Customer has been determined by SRP to be an Eligible Customer under Parts I and II of the Tariff.
- 3.0 The Transmission Customer has been determined by SRP to have a Completed Application for Firm Point-to-Point Transmission Service under the Tariff. ~~The Transmission Customer's DUNS number is _____ [9-digit DUNS Number].~~
- 4.0 The Application deposit has been paid or waived in accordance with the provisions of Section 17.3 or 18.3 of the Tariff.
- 5.0 The Transmission Customer has complied with SRP's creditworthiness requirements. SRP shall have the right to periodically review the Transmission Customer's ability to comply with SRP's creditworthiness requirements during the term of any transaction entered into under this ~~Long-Term~~ Service Agreement and to require the Transmission Customer to provide additional security, if determined necessary by SRP, pursuant to Section 11 and ATTACHMENT L of the Tariff.
- 6.0 Service under this Service Agreement shall commence on the later of: ~~(4i)~~ the requested service commencement date; or ~~(2ii)~~ the date on which construction of any Direct Assignment Facilities and/or Network Upgrades are completed. Service under this ~~Long-Term~~ Service Agreement shall terminate on such date as mutually agreed upon by the parties, but in no event shall the term of the Service Agreement be more than three (3) years. Transmission Customer shall have the right to defer the commencement of service in accordance with Section 17.7 of the Tariff. Transmission Customer shall provide SRP one (1) year advance written notice of any such deferral of the commencement of service.
- 7.0 Transmission Customer understands that SRP's obligation to serve Native Load Customers is projected in the SRP Board approved forecast. For this reason, Transmission Customer ~~understands that any extension of service upon expiration of this Long-Term Service Agreement shall be limited to a term of one year, subject to the requirements for longer terms provided in Section 2.1 of this Tariff, and shall may~~ be further subject to a reduction in Reserved Capacity to allow SRP to meet its reasonably forecasted Native Load service obligation and to provide service to SRP's Network Integrated Transmission Service Customers' requirements as projected in the SRP Board approved forecast. Moreover, Transmission Customer understands that SRP may also be obligated to reduce Transmission Customers' Reserved Capacity for any term that may be available following expiration of this ~~Long-Term~~ Service Agreement if SRP, in compliance with any current or future mandatory rule or regulation, must re-calculate available transfer capability on relevant portions of the Transmission System such that there is insufficient available transfer capability to serve SRP's forecasted Native Load service obligations and to serve SRP's Network Integrated Transmission Customers'

requirements as well as Transmission Customer's Reserved Capacity requirements under this ~~Long-Term~~ Service Agreement. Accordingly, ~~notwithstanding Section 2.1 or any other provision in this tariff,~~ Transmission Customer's ~~relinquishes its rights under its Service Agreement to are renew this Long-Term Service Agreement at the expiration of the initial or any subsequent term(s), subject to a determination based on the projections in the SRP Board approved forecast, and also~~ subject to the availability of sufficient Reserved Capacity as a result of SRP's re-calculation of available transfer capability in accordance with any current or future mandatory rule or regulation governing calculation of same, ~~and~~ that there is adequate transfer capability to continue to service Transmission Customer in addition to SRP's Native Load customers and other customers of SRP with higher priority to SRP's transmission service. If adequate transfer capability is not available, for any one or more of the reasons specified herein, SRP will offer the remaining available transfer capability, if any, on its OASIS and Transmission Customer will have a right of first refusal over all other competing requests. Notwithstanding Transmission Customer's right of first refusal over any such remaining capacity, Transmission Customer's right to renew this ~~Long-Term~~ Service Agreement is further subject to Sections 2, and 19-21 of this Tariff and is also subject to Transmission Customer's agreement to pay any costs of Network Upgrades that SRP is authorized to charge to Transmission Customer.

8.0 ~~This Service Agreement will automatically renew for an additional term of three (3) years, unless either Party notifies the other Party of the termination of this automatic renewal option on or before the date that is one (1) year prior to the last day of the initial term of this Service Agreement, and one (1) year prior to the last day of each subsequent term of this Service Agreement thereafter. If Transmission Customer does not elect to renew the Transmission Service or fails to provide the requisite notice on a timely basis, its rights to renew shall cease for that extension period and any future extension periods. If Transmission Customer does elect to renew the Transmission Service and does provide the requisite notice on a timely basis, SRP shall continue to provide the Transmission Service for the applicable extension period; provided, however, that the rate cap set forth in Section 6.1 of Appendix A to this Service Agreement shall not apply to any such renewal of Transmission Service during any Extension Period. Unless otherwise agreed-upon by the Parties in writing, the implementation of a renewal for Transmission Service during an Extension Period shall require no other revisions to this Service Agreement other than a revision to the Termination Date in Section 1 of Appendix A to this Service Agreement.~~

7.09.0 ~~8~~SRP agrees to provide and the Transmission Customer agrees to take and pay for Firm Point-to-Point Transmission Service in accordance with the provisions of Part II of the Tariff and this ~~Long-Term~~ Service Agreement.

8.010.0 ~~9~~The Transmission Customer agrees to supply information SRP deems reasonably necessary in accordance with the provisions of Parts I and II and this ~~Long-Term~~ Service Agreement.

9.011.0 ~~10~~Any notice, ~~or request,~~ consent, claim, demand, or waiver made to or by either Party regarding this ~~Long-Term~~ Service Agreement shall be made to the representative of the other Party as indicated below.

SRP:

Via United States Postal Service:

Director
Transmission and Generation Operations
SRP
P. O. Box 52025, POB013
Phoenix, AZ 85072-2025

Hand Delivery:

Director
Transmission and Generation Operations
POB 013
SRP – Central Mail Receiving Station
1600 N Priest Dr.
Tempe, AZ 85288-8100

Transmission Customer:

Via United States Postal Service:

~~10.012.0~~ ~~11~~ The validity, interpretation and performance of this ~~Long-Term~~ Service 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.

~~11.013.0~~ ~~12~~ The Tariff is incorporated herein, made a part hereof and all Parties to this ~~Long-Term~~ Service Agreement are bound to comply with applicable Tariff terms and conditions.

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

SRP:

By: _____
Printed Name

Signature

Title

Date

Transmission Customer:

By: _____
Company Name and Company Code

D&B D-U-N-S Number

By: _____
Printed Name

Signature

Title

Date

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Specifications for Long-Term Firm Point-to-Point Transmission Service

- 1.0 Term of Transaction: _____
Start Date: _____
Termination Date: _____
- 2.0 Point(s) of Receipt: _____
- 3.0 Point(s) of Delivery: _____
- 4.0 Reserved Capacity for each Point of Receipt and Point of Delivery pair: _____
- 5.0 Designation of party(ies) subject to reciprocal service obligation: _____
- 6.0 Service under this Service Agreement shall be subject to the charges detailed below. (The appropriate charges for individual transactions will be determined in accordance with the terms and conditions of the Tariff.)
- 6.1 Transmission Charge: _____
- 6.2 System Impact and/or Facilities Study Charge(s): _____
- 6.3 Direct Assignment Facilities Charge: _____
- 6.4 Ancillary Services Charges: _____
- 6.5 Losses to be charged per Tariff: _____

ATTACHMENT C
Methodology to Assess Available Transfer Capability

SRP will calculate available transfer capability in accordance with ~~NERC Reliability Standards~~ SRP's ATCID (posted on its OASIS), as ~~these standards~~ that document may be revised from time to time. SRP's methodology for calculating available transfer capability shall be posted on SRP's OASIS.

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ATTACHMENT D
Index of Point-to-Point Transmission Service Customers

Names of SRP Point-to-Point Transmission Service Customers can be accessed via OASIS.

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ATTACHMENT E

Methodology for Completing a System Impact Study

Upon consent of the customer as evidenced by a signed System Impact Study Agreement, SRP will conduct a System Impact Study of the requested transmission service. SRP may, in SRP's discretion study the impacts of transmission service requests either serially or in a cluster. While SRP is not required to study transmission requests in a cluster, SRP may consider a customer's request to cluster transmission service request studies where SRP can reasonably accommodate the request. If clustered, the study costs will be shared equally among the customers in the cluster.

The System Impact Study may include, but may not be limited to, studies of:

1. Steady state power flow;
2. Transient stability;
3. Post transient stability;
4. Short Circuit;
5. Expected transfer capability of the SRP and interconnected transmission systems at the time the service is requested to begin;
6. Expected transfer capability of the SRP and interconnected transmission systems during the period of the requested service;
7. Capacity assigned to meet current and 10-year forecasted load of Native Load Customers and Network Customers' loads, and to meet existing contractual obligations before, during and at the end of the initial term of the requested transmission service;
8. Capacity required for current and projected future Transmission Reliability Margin requirements before, during and at the end of the initial term of the requested transmission service;
9. Refined cost estimates, if and as practicable, of potential required upgrades or modifications to the SRP and interconnected transmission systems;
10. Refined identification of key potential activities associated with potential required upgrades or modifications to the SRP and interconnected transmission systems, if and as practicable, including, for example, coordination and approvals for upgrades to jointly owned facilities and acquisition of real property fee titles or easements; and
11. Other factors as needed.

ATTACHMENT F
Form of Service Agreement for Wholesale Network Integration Transmission Service

- 1.0 This Form of Service Agreement for Wholesale Network Integration Transmission Service ("Service Agreement"), dated as of _____, is entered into by and between Salt River Project Agricultural Improvement and Power District ("SRP"), an agricultural improvement district organized under the laws of the State of Arizona, and _____ ("Transmission Customer").
- 2.0 The Transmission Customer has been determined by SRP to be an Eligible Customer under Parts I and III of the Tariff and has submitted a Completed Application for Network Integration Transmission Service in accordance with Section 28.2 of the Tariff.
- 3.0 The Transmission Customer has provided to SRP an Application deposit in the amount of \$_____, or SRP has waived the Application deposit in accordance with the provisions of Section 28.2 of this Tariff.
- 4.0 The Transmission Customer has complied with SRP's creditworthiness requirements. SRP shall have the right to periodically review the Transmission Customer's ability to comply with SRP's creditworthiness requirements during the term of any transaction entered into under this Service Agreement and to require the Transmission Customer to provide additional security, if determined necessary by SRP, pursuant to Section 11 and ATTACHMENT L of the Tariff.
- 5.0 The Transmission Customer has executed a Network Operating Agreement with SRP.
- 6.0 Service under this Service Agreement shall commence on the later of: (1) _____; or (2) the date on which construction of any Direct Assignment Facilities and/or Network Upgrades are completed. Service under this Service Agreement shall terminate on _____.
- 7.0 SRP shall provide and the Transmission Customer shall take and pay for Network Integration Transmission Service in accordance with the provisions of Part III of this Tariff, this Service Agreement, and the Network Operating Agreement, as they may be amended from time to time. Exhibit 1 to this Service Agreement lists initial Network Resources, Point(s) of Receipt, Valley Network Gates, Network Loads, Network Load delivery point(s) between the Transmission Customer's facilities and SRP's Transmission System, and the Transmission Customer's initial Load Ratio Share.
- 8.0 The wholesale Network Customer will pay a Monthly Demand Charge based upon its Load Ratio Share, calculated on a rolling four month average basis during the summer period (June through September) and fixed at the September value through May of the following year, times one-twelfth (1/12) of the Transmission Provider's Annual Transmission Revenue Requirement.
- 9.0 A wholesale Network Customer which commences Network Integration Transmission Service in the non-summer period (October through May) and which has no recent summer period (June through September) load history shall pay a Monthly Demand Charge based on a "Preliminary Load Ratio Share" calculated on a progressive four month rolling average basis beginning with the Network Customer's first month of service. Upon

conclusion of the wholesale Network Customer's initial full summer period of service, appropriate billing adjustments will be made to each prior month in which such Network Customer's Monthly Demand Charge was based on a Preliminary Load Ratio Share.

- 10.0 SRP shall provide and the Transmission Customer shall take and pay for Scheduling, System Control and Dispatch Service, Reactive Supply and Voltage Control from Generation or Other Sources Service and Real Power Loss Service. In addition, SRP shall provide and Transmission Customer shall pay for other services indicated below:

10.1 Regulation and Frequency Response Service:

10.2 Energy Imbalance Service:

10.3 Operating Reserve - Spinning Reserve Service:

10.4 Operating Reserve - Supplemental Reserve Service:

10.5 Generator Imbalance Service:

- 11.0 The Transmission Customer agrees to supply information SRP deems reasonably necessary in accordance with the provisions of Parts I and III of the Tariff and this Service Agreement.

- 12.0 Any notice or request made to or by either Party regarding this Service Agreement shall be made to the representative of the other Party as indicated below:

SRP:

Via United States Postal Service:

**Director
Transmission and Generation Operations
SRP
P. O. Box 52025, POB013
Phoenix, AZ 85072-2025**

Hand Delivery:

**Director
Transmission and Generation Operations
POB 013
SRP – Central Mail Receiving Station
1600 N Priest Dr.
Tempe, AZ 85288-8100**

Transmission Customer:

Via United States Postal Service:

- 13.0 The Tariff is incorporated herein, made a part hereof and all Parties to this Service Agreement are bound to comply with applicable Tariff terms and conditions.
- 14.0 Payments for Network Integration Transmission Service provided to the Transmission Customer by SRP under this Service Agreement shall be sent to the name and address indicated on the bill provided to the Transmission Customer.
- 15.0 The validity, interpretation and performance of this Service 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.

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

SRP:

By: _____	_____
Printed Name	Signature
_____	_____
Title	Date

Transmission Customer:

By: _____	_____
Company Name and Company Code	D&B D-U-N-S Number
By: _____	_____
Printed Name	Signature
_____	_____
Title	Date

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Exhibit 1

Network Resources

1. **Point(s) of Receipt on the Transmission System from which capacity and energy from the Network Resource will be received:**

2. **Transmission capacity requested for each Point of Receipt:**

3. **Valley Network Gate(s) to be utilized and capacity allocation among Valley Network Gates:**

Network Loads

1. **Network Load delivery point(s) between the Transmission Customer's facilities and SRP's Transmission System:**

2. **Transmission Customer's Load Ratio Share:**

ATTACHMENT G

Form of Network Operating Agreement

This Network Operating Agreement ("Operating Agreement") is entered into by and between Salt River Project Agricultural Improvement and Power District ("SRP"), an agricultural improvement district organized under the laws of the State of Arizona, and _____ ("Network Customer"), which hereinafter may be referred to collectively as "Parties" and individually as "Party."

1. Recitals

- 1.1** The Network Customer has submitted to SRP a Completed Application requesting Network Integration Transmission Service in accordance with Section 28.2 of the Tariff.
- 1.2** SRP has agreed to provide Network Integration Transmission Service to the Network Customer pursuant to the applicable terms and conditions contained in the Tariff and a Network Integration Transmission Service Agreement between SRP and the Network Customer.
- 1.3** SRP and the Network Customer desire to enter into this Operating Agreement to set forth the terms and conditions under which the Network Customer shall operate its facilities, and to specify certain technical and operational matters associated with the implementation of the Network Integration Transmission Service requested.

NOW, THEREFORE, in consideration of the mutual covenants and promises set forth herein, SRP and the Network Customer agree as follows:

2. Definitions

Terms used herein with initial capitalization, whether in the singular or the plural, shall have the meanings specified in the Tariff and are hereby incorporated into this Operating Agreement. Terms used herein, whether in the singular or the plural, which are not defined in the Tariff shall have the meanings set forth below:

- 2.1 Data Acquisition Equipment:** Supervisory control and data acquisition ("SCADA") equipment, remote terminal units ("RTUs") utilized to obtain information from a Party's facilities, telephone equipment, leased telephone circuits, fiber optic circuits, and other communications equipment necessary to transmit data to remote locations, and any other equipment or service necessary to provide for the telemetry and control requirements of the Tariff.
- 2.2 Data Link:** The direct communications link between the Network Customer's energy control center and the SRP control center that will enable the SRP control center to receive real time telemetry and data from the Network Customer and the Network Customer to receive real time telemetry and data from the SRP control center.

- 2.3 Metering Equipment:** State-of-the-art high accuracy, solid state kW and kWh meters, metering cabinets, metering panels, conduits, cabling, high accuracy current transformers and high accuracy potential transformers, which directly or indirectly provide input to meters or transducers, meter recording devices (e.g., solid state data receivers), telephone circuits, signal or pulse dividers, transducers, pulse accumulators, and any other metering equipment necessary to implement the provisions of the Tariff.
- 2.4 NERC:** The North American Electric Reliability Corporation and successor organizations.
- 2.5 Party or Parties:** SRP or the Network Customer or both SRP and the Network Customer.
- 2.6 Protective Equipment:** Protective relays, relaying panels, relaying cabinets, circuit breakers, conduits, cabling, current transformers, potential transformers, coupling capacitor voltage transformers, wave traps, transfer trip and fault recorders, which directly or indirectly provide input to relays, fiber optic communication equipment, power line carrier equipment and telephone circuits, and any other protective equipment necessary to implement the associated provisions of the Tariff.
- 2.7 WECC:** The Western Electricity Coordinating Council and successor organizations.

3. Effective Date and Term of Service

This Operating Agreement shall become effective upon execution by both Parties and shall be coterminous with the Network Integration Transmission Service Agreement between SRP and the Network Customer.

4. Points of Interconnection

- 4.1** Network Integrated Transmission Service will be provided by SRP at the points of interconnection specified in the Network Integration Transmission Service Agreement signed by SRP and Network Customer, as amended from time to time. Each point of interconnection in this listing shall have a unique identifier, meter location, meter number, metered voltage, terms on meter compensation, and designation of current or future in-service date.
- 4.2** The Network Customer shall be responsible for the cost of any studies that may be required to approve or disapprove a Network Customer request to add, delete or change the points of interconnection.

5. Network Customer Balancing Authority Area Requirements

- 5.1 Network Customer Balancing Authority Area Requirements:** The Network Customer shall: (i) operate as a Balancing Authority Area and fully comply with all criteria, policies, procedures and requirements of NERC and WECC; or (ii) SRP will provide Ancillary Services upon request and may agree to provide Balancing

Authority Area services at its own discretion; or (iii) satisfy its Balancing Authority Area requirements, including Ancillary Services, by contracting with another entity which can satisfy those requirements in a manner that is consistent with Good Utility Practice and satisfies, but not be limited to, all criteria, policies, procedures and requirements of NERC and WECC.

- 5.2 Changing Satisfaction of Balancing Authority Area Requirements:** If the Network Customer desires to change how it satisfies its Balancing Authority Area requirements, the Network Customer must submit a new application for service under the Tariff.
- 5.3 Balancing Authority Area Operations:** SRP and the Network Customer (or the Network Customer's host Balancing Authority Area entity in the event the Network Customer is in another entity's Balancing Authority Area) shall operate and maintain their respective Balancing Authority Areas in a manner that will allow SRP to safely and reliably operate the Transmission System in accordance with the Tariff and with Good Utility Practice, so that either Party shall not unduly burden the other Party; provided, however, that notwithstanding any other provision of the Tariff, SRP shall retain the sole responsibility and authority for all operating decisions that could affect the integrity, reliability and security of the Transmission System.
- 5.4 Balancing Authority Area Equipment:** The Network Customer shall be responsible for the purchase, installation, upgrading, operation, maintenance and replacement of all Data Acquisition Equipment, Metering Equipment, Protection Equipment, and any other associated equipment and software, which may be required by either Party for the Network Customer to operate a Balancing Authority Area or for SRP to integrate the Network Customer's Network Loads and Resources within SRP's Transmission System. SRP shall have the right to review and approve such equipment and software as may be required to ensure conformance with Good Utility Practice, prior to its installation.
- 5.5 Scheduling:** The Network Customer must obtain scheduling services from SRP any time that there is an energy transaction between it and another entity. The Network Customer shall notify SRP of intended transactions, individual generator loading for Network Resources and Network Load at each point of interconnection no later than 10:00 a.m. MST of the day prior to schedule implementation, unless or until some other scheduling deadline is mutually agreed to by the Parties. Network Customer schedules with SRP may be either static or dynamic. Dynamic schedules are updated in real time through telemetry and control equipment. Static schedules are metered and updated manually, changes to these will be by voice and can occur no later than twenty (20) minutes prior to the beginning of the scheduling hour in which the schedule goes into effect. The Network Customer shall preschedule, confirm, and implement its schedules for all interchange and transmission service transactions in accordance with SRP standards and practices, and the terms and conditions of the Tariff.
- 5.6 Balancing Authority Area Data:** SRP shall incorporate the Network Customer's Metering Equipment and Data Acquisition Equipment into the SRP energy control center to the extent the Parties determine it to be necessary to incorporate the

Network Customer's system into a single Balancing Authority Area operating within the SRP Transmission System consistent with the terms and conditions of the Tariff.

- 5.7 Regulation:** The Network Customer shall be responsible for insuring that its system is operated in a manner to provide for its Network Load at all times, and to hold any deviations from net interchange schedules to a minimum in accordance with the associated NERC and the WECC requirements.
- 5.8 Data Link Operations:** The selection of real-time telemetry and data to be received by SRP and the Network Customer shall be made as necessary to ensure the reliability, security, economics, and/or monitoring of real-time conditions that affect the SRP Transmission System. This telemetry shall include, but shall not be limited to, loads, line flows (real and reactive power), voltages, generator output, and breaker status at any of the Network Customer's transmission and generation facilities. To the extent that SRP or the Network Customer requires data that is not available from existing equipment, the Network Customer shall, at its own expense, install any Metering Equipment, Data Acquisition Equipment, or other equipment and software necessary for the telemetry to be received by SRP or the Network Customer via the Data Link. SRP shall have the right to inspect equipment and software associated with the Data Link in order to assure conformance with Good Utility Practice.
- 5.9 Computer Modifications:** The Network Customer shall be responsible for implementing any computer modifications or changes required to its own computer system(s) as necessary to implement the provisions of the Tariff. Any SRP computer system modifications necessary to accommodate the Network Customer shall be performed at the Network Customer's expense.
- 5.10 Metering:** The Network Load shall be metered on an hourly integrated basis in accordance with the SRP standards or practices for similar metering. The actual hourly integrated Network Load for each calendar month shall be provided to SRP by the Network Customer by the seventh calendar day of the succeeding calendar month.
- 5.11 Real-Time System Data Requirements:** The Network Customer shall provide or cause to be provided to SRP via the Data Link, any and all data associated with loads, line flows, voltages, generator outputs, breaker status, etc. deemed necessary for SRP to provide Network Integration Transmission Service under the Tariff and to ensuring the security and reliability of the SRP Transmission System. Such data shall be provided at least once every ten (10) seconds with data not being older than twenty (20) seconds.
- 5.12 Disturbances:** Each Party shall, insofar as practicable, protect, operate and maintain its system and facilities so as to avoid or minimize the likelihood of disturbances which might cause impairment of or jeopardy to service to the customers of the other Party, or to other interconnected systems.
- 5.13 Maintenance of Control Equipment:** The Network Customer shall, on a regular basis or at request by SRP, and at its own expense, test, calibrate, verify, and

validate the Metering Equipment, Data Acquisition Equipment, and other equipment or software used to determine Network Load. SRP shall have the right to inspect such tests, calibrations, verifications, and validations of the Metering Equipment, Data Acquisition Equipment, and other equipment or software used to determine the Network Load. Upon request by SRP, the Network Customer will provide SRP a copy of the installation, test, and calibration records of the Metering Equipment, Data Acquisition Equipment, and other equipment or software. SRP, at the Network Customer's expense, shall have the right to monitor the factory acceptance test, the field acceptance test, and the installation of any Metering Equipment, Data Acquisition Equipment, and other equipment or software used to determine the Network Load.

5.14 Loss of the Data Link: Whenever an outage of the Data Link occurs, each Party responsible for the component that is out should make every effort possible to correct the problem and minimize the outage time. An outage of the Data Link could result in the Network Customer receiving services from SRP that it or a third party would normally provide. If the Network Customer or one of its contractors is responsible for the outage and it receives services from SRP that it would not normally receive, SRP will charge the Network Customer for these services at the rate allowed in the Tariff.

5.15 Balancing Authority Area Costs: The Network Customer shall be responsible for all costs to establish, operate and maintain the Network Customer's Balancing Authority Area services, including, but not limited to, engineering, administrative and general expenses, material, and labor expenses associated with the specifications, design, review, approval, purchase, installation, maintenance, modification, repair, operation, replacement, checkouts, testing, upgrading, calibration, removal, and relocation of equipment or software.

6. Operating Requirements

6.1 Conditions: A Network Customer interconnecting with the SRP Transmission System is obligated to follow the same practices and procedures for interconnection and operation that SRP uses for its own load and resources. Where the Network Customer purchases Ancillary Services from third parties, the Network Customer shall have the responsibility to secure contractual arrangements with such third parties that are consistent with the Tariff, this Operating Agreement, any applicable rules and procedures of the Network Operating Committee, NERC and WECC criteria, policies, procedures, and requirements.

6.2 Generation

6.2.1 Network Customer's Generation: The Network Customer shall operate its generating resources in a manner consistent with that of SRP, including following voltage schedules, unblocked governors, and meeting power factor requirements at the point of interconnection with SRP system and other such criteria required by NERC and WECC and consistently adhered to by SRP.

- 6.2.2 Cogeneration and Small Power Production Facilities:** If a qualifying facility is located or locates in the future on the system of the Network Customer, and the owner or operator of such qualifying facility sells the output of such qualifying facility to an entity other than the Network Customer, the delivery of such qualifying facility's power shall be subject to and contingent upon transmission arrangements being established with SRP prior to commencement of delivery of any such power and energy.
- 6.3 Loss Compensation:** The Network Customer will compensate SRP for losses based on a financial settlement. Losses will be calculated based on the metered Network Customer's load served.
- 6.4 Voltage Support:** The Network Customer shall have sufficient reactive compensation and control to meet the power factor requirements specified below (such range to be adhered to except for momentary deviations or at SRP written consent) at each point of interconnection or point of delivery. If the Network Customer does not provide the necessary reactive compensation and control to comply with the objectives described in this Section, SRP shall have the unilateral right to install such equipment to meet these standards at the Network Customer's expense.

POWER FACTOR REQUIREMENTS

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- 6.5 Operating Reserve:** The Network Customer shall meet its share of operating reserve requirements by either: (i) providing its operating reserves from its resources; (ii) purchasing operating reserves from SRP; or (iii) arranging to have a third party meet its operating reserve requirement.

The Network Customer must obtain firm transmission rights on a path between the resource and the Network Customer's load before a third party can supply the Network Customer's operating reserves. The operation and dispatch of third party resources used for the supply of operating reserves must be coordinated with SRP. Procedures for coordination shall be developed by the Network Operating Committee. The Network Customer's operating reserve requirements will be determined in the following manner: SRP shall calculate its operating reserve requirement under WECC or ~~Southwest~~ Reserve Sharing Group (~~SRSG~~) guidelines, as applicable, for its Network Loads and Network Resources and the Network Loads and Network Resources of all previously committed Tariff customers. The same calculation shall be performed including the Network Customer's Network Load and Network Resources. The difference between the calculated amounts shall be the Network Customer's operating reserve obligation.

- 6.6 Energy Imbalance:** The Network Customer shall operate its system at all times such that energy imbalances are minimized and stay within the acceptable deviation bands. Charges or credits for energy imbalances both within and outside the deviation bands shall be as specified in SCHEDULE 4 to SRP's Tariff.

- 6.7 Load Shedding:** SRP and the Network Customer shall implement load shedding programs to maintain the reliability and integrity of the electrical system, as provided in Section 32.6 of the Tariff. Load shedding shall include: (1) automatic load shedding; (2) manual deep load shedding; or (3) rotating interruptions of customer load. SRP shall order load shedding to maintain the relative sizes of load served, unless otherwise required by circumstances beyond the control of SRP or Network Customer. Automatic load shedding devices will operate without notice. When manual deep load shedding or rotating interruptions are necessary, SRP will notify Network Customer's dispatchers or schedulers of the required action and the Network Customer shall comply immediately.

Compliance will be monitored and audited as determined by the Network Operating Committee.

The Network Customer shall, at its own expense, provide, operate, and maintain in-service high-speed, digital under frequency load shedding equipment. The Network Customer's equipment shall be compatible and coordinated with SRP load shedding practices. In the event SRP modifies its load shedding practices, the Network Customer shall, at its expense, make changes to the equipment and setting of such equipment, as required.

- 6.8** In the event the Network Customer fails to respond to these established load shedding and curtailment procedures, the Network Customer shall be subject to the following charges and requirements:
- 6.8.1** For the first failure to respond during a rolling 12-month period, a one time (1x) assessment of the otherwise applicable rate for Point-to-Point Transmission Service for the billing period during which the failure occurs.
- 6.8.2** For the second failure to respond during a rolling 12-month period, a two times (2x) assessment of the otherwise applicable rate for Point-to-Point Transmission Service for the billing period during which the failure occurs.¹
- 6.8.3** For the third failure to respond during a rolling 12-month period, a four times (4x) assessment of the otherwise applicable rate for Point-to-Point Transmission Service for the billing period during which the failure occurs. Additionally, the Network Customer shall install supervisory control load interrupting devices, at its own expense, that will preclude any future failures to respond.²

7. Emergency System Operations

- 7.1** The Network Customer, at its expense, shall be subject to all applicable emergency operation standards promulgated by NERC, WECC, and SRP. Such emergency operation standards may include but may not be limited to under

¹ If more than one failure to respond occurs in the same billing period, the Network Customer shall be liable for each applicable assessment.

² All such equipment shall conform to standards and requirements established by SRP.

frequency relaying equipment, load shedding equipment, and voltage reduction equipment.

- 7.2** SRP reserves the right to take whatever action it deems necessary to preserve the integrity of the SRP Transmission System during emergency operating conditions. If the Network Integration Transmission Service at the points of interconnection is causing harmful physical effects to the SRP Transmission System facilities or to its customers (e.g., harmonics, under voltage, over voltage, flicker, voltage variations, etc.), SRP shall promptly notify the Network Customer. If the Network Customer does not take appropriate corrective actions immediately, SRP shall have the right to interrupt Network Integration Transmission Service under the Tariff and Service Agreement in order to alleviate the situation and to suspend all or any portion of Network Integration Transmission Service under the Tariff and Service Agreement until appropriate corrective action is taken.
- 7.3** In the event of any adverse condition or disturbance on the SRP electric system or on any other system directly or indirectly interconnected with SRP Transmission System, SRP may, as it deems necessary, take appropriate action, that may result in the automatic or manual interruption of Network Integration Transmission Service in order to: (i) limit the extent or damage of the adverse condition or disturbance; (ii) prevent damage to generating or transmission facilities; (iii) expedite restoration of service; or (iv) preserve public safety.

8. Reliability Redispatch Procedures

- 8.1** If SRP determines that redispatching Network Resources (including reductions in off-system purchases) to relieve an existing or potential Transmission System constraint is the most effective way to ensure the reliable operation of the Transmission System, SRP will redispatch SRP and the Network Customer's Network Resources on a least cost basis, without regard to the ownership of such resources. SRP will apprise the Network Customer of its redispatch practices and procedures, as they may be modified from time to time.
- 8.2** The Network Customer shall submit to SRP verifiable incremental and decremental cost data for its Network Resources, which estimate the cost to the Network Customer of changing the generation output of each of its Network Resources, by Data Link when submitting its preschedules. These costs will be used (along with similar data for SRP resources) as the basis for least-cost redispatch through the next day. The SRP grid operation staff shall keep this data confidential, including from SRP marketing staff. If the Network Customer experiences changes to its costs during the following day, the Network Customer must submit those changes to the SRP energy control center. SRP will implement a least-cost redispatch consistent with its existing contractual obligations and its current practices and procedures for its own resources. The Network Customer shall respond immediately to requests for redispatch from the SRP energy control center.
- 8.3** The Network Customer may audit particular redispatch events at its own expense during normal business hours following reasonable notice to SRP. Either the Network Customer or SRP may request an audit of the other Party's cost data by

an independent agent at the requester's cost. Once redispatch has been implemented, SRP will book in a separate account costs incurred by both SRP and the Network Customer based on the submitted incremental and decremental costs. SRP and the Network Customer shall each bear a proportional share of the total redispatch costs based on their then-current load ratio shares. SRP shall bill or credit the Network Customer's monthly bill as appropriate.

9. Curtailments

To the extent that a transmission constraint on the SRP Transmission System cannot be relieved through redispatch or other methods, SRP will curtail schedules across the eConstrained Posted Patharea. To the extent practical and consistent with Good Utility Practice, schedule curtailments will be shared by SRP and Network Customer proportionately.

10. Maintenance of Facilities

- 10.1** Notification: The Network Operating Committee shall establish procedures to coordinate the maintenance schedules of generating resources, transmission equipment, substation equipment, Data Link equipment, Data Acquisition Equipment, Protective Equipment and any other equipment for which maintenance must be scheduled for reliability or economic reasons. By July 1st of each year, the Network Customer shall provide to SRP the maintenance schedules and planned outages for the next year. This information shall be updated or verified by the Network Customer at least thirty (30) days in advance of the date specified for the forecasted maintenance.
- 10.2** The Network Customer shall obtain concurrence from SRP at least four (4) days prior to beginning any scheduled maintenance of its facilities.
- 10.3** The Network Customer shall obtain clearance from SRP when the Network Customer is ready to begin maintenance on a Network Resource, transmission line, or substation.
- 10.4** The Network Customer shall immediately notify SRP at the time when any unscheduled or forced outages occur and again when such unscheduled or forced outages end.
- 10.5** The Network Customer shall notify and coordinate with SRP prior to reparallelizing the Network Resource, transmission line, or substation with SRP's Transmission System.

11. Network Operating Committee

If SRP determines it necessary, a Network Operating Committee shall be formed in accordance with this Section.

- 11.1 Network Operating Committee:** Each Party shall in writing appoint a member and an alternate(s) to a Network Operating Committee and notify the other Party of such appointment(s). Such appointments may be changed at any time by similar

written notice. The Network Operating Committee shall meet as necessary and review the duties set forth herein. The Network Operating Committee shall hold meetings at the request of either Party at a time and place agreed upon by the members of the Network Operating Committee. The Network Operating Committee shall meet once each year to discuss the information exchanged pursuant to this Section. Each member and alternate shall be a responsible person working with the day-to-day operations of each respective power system. The Network Operating Committee shall represent the Parties in all operational matters that may be delegated to it by mutual agreement of the Parties hereto.

- 11.2 Responsibilities:** The Network Operating Committee shall: (i) adopt rules and procedures consistent with this Network Operating Agreement and the Tariff; (ii) review operating technical requirements necessary for implementing the Tariff; (iii) review Network Resources and Network Loads on an annual basis in order to assess the adequacy of the Transmission System; and (iv) obtain from SRP, SRP operating policies, procedures, and guidelines for network interconnection and operation.
- 11.3 Network Operating Committee Agreements:** Each Party shall cooperate in providing to the Network Operating Committee all information required in the performance of the Network Operating Committee's duties. All decisions and agreements, if any, made by the Network Operating Committee shall be evidenced in writing and shall be in accordance with the Tariff. The Network Operating Committee shall have no power to amend or alter the provisions of this Network Operating Agreement or the Network Integration Transmission Service Agreement.
- 11.4 Dispute Resolution:** In the event that a dispute arises within the Network Operating Committee concerning the operation or the interpretation of the Network Operating Agreement, and the Parties are unable to resolve it within a reasonable amount of time (not to exceed thirty (30) days), the dispute shall be resolved in accordance with the procedures specified in Section 12 of the Tariff.

12. Technical Data

- 12.1 Annual-Monthly Load Forecast:** The Network Customer shall provide SRP by September 1st of each year the Network Customer's best forecast of the following 36 calendar year/month's (i) monthly coincident peak Network Load of the Network Customer's system expressed in kW along with the power factor of such system at such time, and (ii) the Network Customer's monthly non-coincident peak loads expressed in kW along with the system power factor at such time. Such forecast shall be made using prudent forecasting techniques available and generally deemed acceptable in the electric utility industry.
- 12.2 Annual-Monthly Network Resource Availability Forecast:** The Network Customer shall provide to SRP by September 1st of each year the Network Customer's best forecast of the following 36 calendar year/month's planned Network Resource availability forecast (e.g. all planned resource outages, including off-line and on-line dates). Such forecast shall be made using prudent forecasting techniques available and generally deemed acceptable in the electric

utility industry. The Network Customer shall inform SRP, in a timely manner, of any changes to Network Customer's planned Network Resource availability forecast.

- 12.3 Annual-Monthly Operating Conflicts Due to Transmission Constraints:** In the event that SRP determines that the annual-monthly Network Resource availability forecast cannot be accommodated due to a transmission constraint on the SRP Transmission System, and such constraint may jeopardize the security of the SRP Transmission System or adversely affect the economic operation of either SRP or the Network Customer, to the extent possible, the Network Operating Committee will coordinate the annual operating Network Resource availability forecast of both Parties to mitigate the transmission constraint.
- 12.4 Daily Operations Forecast:** The Network Customer shall provide SRP, at least thirty-six (36) hours in advance of every calendar day, the Network Customer's best hourly forecast for the following seven (7) calendar days of: (i) the maximum non-coincident flow (both import and export) at each of the SRP points of interconnection with the Network Customer; (ii) the first contingency maximum non-coincident flow (both import and export) at each of the SRP points of interconnection with the Network Customer; (iii) any planned transmission or generation outage(s) on the system of the Network Customer or on a system other than that of SRP where a Network Resource is located; (iv) the coincident Network Customer load along with the commitment/dispatch of the Network Resources at peak operating period(s) (the peak operating period(s) will be determined by SRP operating personnel and may be changed from time-to-time as necessary); (v) operating reserve from each resource and from each third party, (vi) transmission path(s) reserved for operating reserves from third party(ies); and (vii) any other information that SRP operating personnel reasonably deem appropriate to safely and reliably operate the SRP Transmission System. The Network Customer shall keep SRP informed in a timely manner, of any changes to its current daily operating forecast.
- 12.5 Daily Operating Conflicts Due to Transmission Constraints:** In the event that SRP determines that the daily operating forecast cannot be accommodated due to a transmission constraint on the SRP Transmission System and such constraint may jeopardize the security and reliability of the SRP Transmission System or adversely affect the economic operation of either SRP or the Network Customer, the load curtailment provisions of the Tariff shall be implemented.
- 12.6 Network Planning Information:** In order for SRP to plan, on an ongoing basis, to meet the Network Customer's firm long-term requirements for Network Integration Transmission Service, the Network Customer shall provide SRP with the information set forth in Sections 12.7 through 12.10 herein. This type of information is consistent with SRP information requirements for planning to serve SRP Native Load Customers and is consistent with the SRP ten (10) year planning process.
- 12.7 Annual Planning Network Load Forecast:** The Network Customer shall provide SRP by September 1st of each year the Network Customer's best forecast of the following ten (10) calendar years' (i) monthly coincident Network Load and non-coincident Network Customer load expressed in kW along with the respective

power factor. Such forecast shall be made using prudent forecasting techniques available and generally accepted in the electric utility industry.

12.8 Annual Planning Network Resource Forecast: The Network Customer shall provide to SRP by September 1st of each year: (i) the Network Customer's best forecast of the next ten (10) years' planned Network Resources and all pertinent information regarding such Network Resources; (ii) a copy of the Network Customer's most current firm purchased power commitments (including the underlying agreement for purchased power) for the next ten (10) years on a unit specific basis for any Network Resource(s) which is a firm unit specific purchased power resource; and (iii) for purchased power commitments that are non-unit specific, any information necessary (including the underlying agreement for purchased power) for SRP to model how the purchased power commitment will be dispatched by the Network Customer to meet the Network Load; provided, however, that the information provided by the Network Customer pursuant to this Section 12.8 shall not be deemed a substitute for written notice required for designating new Network Resources.

12.9 Annual Planning Network Transmission Facilities: The Network Customer shall provide to SRP by September 1st of each year plans of any additions or changes to its internal transmission facilities (lines, transformers, reactive equipment, etc.) for each of the subsequent ten (10) calendar years.

12.10 Technical Data Format: The Network Customer shall provide SRP the best available data associated with Network Resources and transmission facilities, for modeling purposes in an electronic format specified by SRP. The electronic format specified by SRP shall be a format commonly used in the electric utility industry.

12.11 13. Governing Law

The validity, interpretation and performance of this Service 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.

IN WITNESS WHEREOF, the Parties have caused this Operating Agreement to be executed as of _____.

SRP:

By: _____
Printed Name

Signature

Title

Date

Transmission Customer:

By: _____
Company Name

By: _____
Printed Name

Signature

Title

Date

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ATTACHMENT H
Annual Transmission Revenue Requirement for Network Integration Transmission Service

1. The Annual Transmission Revenue Requirement for purposes of the Network Integration Transmission Service shall be \$244,716,359.
2. The Annual Transmission Revenue Requirement specified in 1 above may be amended by SRP from time to time.
3. SRP may increase the Transmission Cost Adjustment Factor to recover transmission related costs or charges incurred by SRP resulting from standardized wholesale market designs, regional transmission organizations, or related activities.

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ATTACHMENT I
Index of Network Integration Transmission Service Customers

Names of SRP Network Integration Transmission Service Customers can be accessed via OASIS.

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ATTACHMENT J
Procedures for Addressing Parallel Flows

The North American Electric Reliability Corporation's (NERC) Qualified Path Unscheduled Flow Relief for the Western Electricity Coordinating Council (WECC), <https://www.wecc.org/Standards/Pages/Default.aspx> ~~Reliability Standard WECC IRO-006-2~~.

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ATTACHMENT K Transmission Planning Process

I. Overview of the SRP Transmission Planning Process

Salt River Project (SRP) is a vertically integrated public power utility, organized pursuant to the laws of the State of Arizona that generates, purchases, transmits and distributes electricity to more than 1,000,000 retail electric customers in central Arizona. SRP, which is governed by its elected Board of Directors, provides electric transmission and related reliability services pursuant to state and federal statutes and regulations and its own governing authority. SRP's transmission planning process is based on three core objectives:

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

SRP's transmission planning process is intended to facilitate a timely, coordinated and transparent process that fosters the development of electric infrastructure that maintains reliability and meets load growth, so that SRP can continue to provide reliable low cost electric power to its customers and transmission service to third parties from its available transfer capability.

The transmission planning process conducted by SRP includes a series of open planning meetings that SRP will conduct at least twice a year to allow anyone, including, but not limited to, Network Integration Transmission Service, ~~and~~ Point-to-Point Transmission Service, ~~and~~ ~~Generator Integration Transmission Service~~ customers, sponsors of transmission solutions, generation solutions and solutions utilizing demand response resources, interconnected neighbors, regulatory and state bodies and other stakeholders, input into and participation in all stages of development of the SRP transmission plan.

In addition to its local transmission planning process, SRP coordinates its transmission planning with other transmission providers and stakeholders in the desert southwest area, and the Western Interconnection as a whole, through its active participation in the Southwest Area Transmission (SWAT) planning group, membership in WestConnect¹, ~~;~~ and membership in the Western

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

Electricity Coordinating Council (WECC). SRP participates in the WECC Reliability Assessment Committee (RAC) and its subcommittees.

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

The subregional planning groups within the WestConnect footprint, assisted by the WestConnect planning manager, coordinate with other Western Interconnection transmission providers and their subregional planning groups through the RAC and its subcommittees. The RAC and its subcommittees provide for the development and maintenance of an economic planning study database for the entire Western Interconnection and performs annual congestion studies at the Western Interconnection region level.

II. SRP Transmission Planning

A. SRP Transmission Planning Process

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

1. Confidential or Proprietary Information

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

2. Types of Planning Studies

- a. **Transmission Planning Studies.** SRP will conduct reliability planning studies to ensure that all network transmission customers' and SRP retail customers' requirements for planned loads and resources, including demand response resources, are met for each year of the ten year planning horizon, and that all North American Electric Reliability Corporation (NERC), WECC, and local reliability standards are met. These reliability planning studies will be coordinated with the other subregional transmission planning organizations through the SWAT studies.

- b. Economic Planning Studies. Economic planning studies are performed to identify significant and recurring congestion on the transmission system and/or address the integration of new resources and loads. Such studies may analyze any, or all, of the following: (i) the location and magnitude of the congestion, (ii) possible remedies for the elimination of the congestion, in whole or in part, including transmission solutions, generation solutions, and solutions utilizing demand response resources, (iii) the associated costs of congestion, (iv) the costs associated with relieving congestion through system enhancements (or other means), and, as appropriate (v) the economic impacts of integrating new resources and loads. SRP will perform, or cause to be performed, economic planning studies at the request of any transmission customer or stakeholder. Economic planning studies performed either by SRP or the RACs Study Subcommittee (StS), will utilize WECCs public database.
3. SRP Transmission Planning Study Process (see *Flow Chart attached as Exhibit 1*)
- a. Transmission Plan Needs Assessment. SRP's transmission planning process consists of an assessment of the following needs:
 - i. Provide adequate transmission to access sufficient resources in order to reliably and economically serve retail and network loads.
 - ii. Where feasible, identify alternatives such as demand response resources that could meet or mitigate the need for transmission additions or upgrades.
 - iii. Support SRP's local transmission and sub-transmission systems.
 - iv. Provide for interconnection for new generation resources.
 - v. Coordinate new interconnections with other transmission systems.
 - vi. Accommodate requests for long-term transmission access.
 - b. SRP's Transmission Planning Cycle.
 - i. Calendar Year Planning Cycle. SRP conducts its transmission planning on a calendar year cycle for a ten year planning horizon.
 - ii. Annually Updated Ten Year Transmission Plan. SRP updates its ten year plan annually. SRP publishes an annual Ten Year Transmission Plan document, which identifies new 115 kV and higher voltage transmission lines and new substations (see *SRP Attachment K Hyperlinks List*, <http://www.oatiosis.com/SRP/index.html>). The Ten

Year Transmission Plan document is filed at the end of January each year with the Arizona Corporation Commission (ACC).²

c. Transmission Customer's Responsibility for Providing Data.

- i. Use of Customer Data. SRP uses information provided by its transmission customers to, among other things, assess network load and resource projections (including demand response resources), transmission needs, operating dates and retirements for generation resources in SRP's system, and to update regional models used to conduct planning studies.
- ii. Submission of Data by Network Transmission Customers. As required pursuant to SRP's Open Access Transmission Tariff (OATT), network transmission customers shall supply information on their ten year projected network load and network resources (including demand response resources) to SRP on an annual basis. This information must be submitted electronically by network transmission customers to SRP to SRP.TransmissionPlanning@srpnet.com by September 1 each year.
- iii. Submission of Data by Other Transmission Customers. To maximize the effectiveness of the SRP planning process, it is essential that all other transmission customers provide their ten year needs in the form of relevant data for inclusion in the SRP transmission planning process. This information must be submitted electronically by transmission customers to SRP ~~to~~ at SRP.TransmissionPlanning@srpnet.com by September 1 each year in order to be included in the planning process for the transmission plan that SRP submits to the ACC the following January.
- iv. Types of Transmission Customer Data. To the maximum extent practical and consistent with protection of proprietary information, data submitted by network transmission customers and other transmission customers should include for the ten year planning horizon:
 - 1) Generators – planned additions or upgrades (including status and expected in-service dates), planned retirements and environmental restrictions.
 - 2) Demand response resources – existing and planned demand response resources and their impacts on demand and peak demand.

² The ACC's Biennial Transmission Assessment (BTA) process, in coordination with SWAT, evaluates Arizona transmission providers' filed ten year plans and other study reports on a biennial basis. The BTA process allows for and encourages stakeholder review, input and comment on the ACC's assessment of the plans, as published in the ACC's Biennial Transmission Assessment Report.

- 3) Network Integration Transmission Service customers – forecast information for load and resource requirements over the planning horizon and identification of demand response reductions.
- 4) Point-to-Point Transmission Service customers – projections of need for service over the planning horizon, including transmission capacity, duration, and receipt and delivery points.
- ~~v. Generator Integration Transmission Service customers – projections of need for service over the planning horizon, including transmission capacity, duration, and receipt and delivery points.~~
- ~~vi-v. Notification of Material Changes to Transmission Customer Data. Each transmission customer is responsible for timely submittal of written notice to SRP of material changes in any of the information previously provided to SRP related to the transmission customer's load, resources (including demand response resources), or other aspects of its facilities or operations which may, directly or indirectly, affect SRP's ability to provide service.~~
- d. Stakeholder Participation in SRP's Transmission Planning Study Process.
 - i. In its 2nd Quarter public planning meeting, SRP will (a) review its current transmission study plan with transmission customers and stakeholders; (b) provide an opportunity for transmission customers to update the loads, resources (including demand response resources), and other data submitted by September 1 of the prior year (see Section II.A.3.c); (c) provide an opportunity for stakeholder input on any aspect of its transmission study plan; (d) review any stakeholder proposals previously submitted to SRP for study plan alternatives; (e) invite the submittal of additional stakeholder study plan proposals for review and discussion; and (f) provide updates on SRP's planned transmission projects.
 - ii. In its 4th Quarter public planning meeting, SRP will present a draft of its Ten Year Transmission Plan for the following calendar year for stakeholder review and comments.
 - iii. This schedule may be modified to coordinate with subregional and regional transmission planning processes, subject to updated postings on the SRP OASIS and WestConnect websites.
- e. Participation within the Southwest Area Transmission (SWAT) Subregional Planning Group. SWAT is comprised of transmission regulators/governmental entities, transmission users, transmission owners, transmission operators and environmental entities. SRP participates in the subregional planning activities coordinated by SWAT. SWAT provides an open forum where all stakeholders and interested parties can participate.

- f. SRP Point of Contact for Questions on SRP's Transmission Planning Study Process. SRP will identify a Point of Contact on its OASIS to respond to transmission customer and stakeholder questions regarding transmission planning modeling, criteria, assumptions and data underlying system plans (see *SRP Attachment K Hyperlinks List*, <http://www.oatioasis.com/SRP/index.html>).
 - g. SRP Transmission Planning Study Criteria and Guidelines. Transmission customers and stakeholders should refer to the SRP Transmission Planning Process and Guidelines (SRP Planning Guidelines) for SRP's transmission planning criteria, guidelines, assumptions and data. The SRP Planning Guidelines are posted on the SRP OASIS (see *SRP Attachment K Hyperlinks List*, <http://www.oatioasis.com/SRP/index.html>).
- 4. SRP Economic Planning Study Process (see *Flow Chart attached as Exhibit 1*)
 - a. Requesting Economic Planning Studies. Any SRP transmission customer or other stakeholder ("Requester"), including sponsors of transmission solutions, generation solutions and solutions utilizing demand response resources, may submit a request for an economic planning study directly to SRP or the StS. SRP's Economic Planning Study Request Form may be downloaded from SRP's OASIS (see *SRP Attachment K Hyperlinks List*, <http://www.oatioasis.com/SRP/index.html>). The Requester must submit its study request(s) no later than October 31 each year if the Requester wants SRP to review the study request(s) with stakeholders at its 4th Quarter open public planning meeting. All such economic planning study requests must be submitted electronically to SRP at SRP.TransmissionPlanning@srpnet.com. SRP will coordinate the timing of its economic planning study cycle with the Studies Subcommittee Study Program Protocol.
 - b. SRP Process for Administering Economic Planning Study Requests. SRP shall administer economic planning study requests received by SRP under this ATTACHMENT K in the following manner:
 - i. SRP shall forward the study request to the RAC StS for inclusion in the economic planning studies for the Western Interconnection. The RAC meetings and all of its subcommittee meetings and study processes are open to the public. (see *SRP Attachment K Hyperlinks List*, <http://www.oatioasis.com/SRP/index.html>)
 - ii. Stakeholder Review of Economic Planning Study Requests. SRP shall review and seek stakeholder input on requests that it receives for economic planning studies at its next open public planning meeting. SRP shall then determine whether the study request should be classified as a priority local request and performed by SRP or whether the study request encompasses a sub-region or region, in which case SRP will transfer the request to the StS for consideration as a priority regional request when StS opens its solicitation window. (see *SRP Attachment K Hyperlinks List*, <http://www.oatioasis.com/SRP/index.html>)

- iii. Criteria Used to Determine Whether an Economic Planning Study Request is a Local Study Request. Based in part on the number and type of economic planning study requests received, SRP shall consider the following criteria to determine if the study request is for a local study or a regional study:
 - 1) Does the study request affect the interconnected transmission system or only SRP's local transmission system?
 - 2) Are the remedies confined to and only resolvable within SRP's local transmission system?
- iv. Criteria Used to Determine Whether a Local Economic Planning Study Request is a Priority Request. SRP shall consider the following criteria to determine whether a local economic planning study request is a priority request:
 - 1) What portion of the SRP local transmission system will be under consideration in the study?
 - 2) Does the request raise fundamental design issues of interest to multiple parties?
 - 3) Does the request raise policy issues of national, regional or state interest, e.g., with respect to access to renewable power, and location of both conventional and renewable resources?
 - 4) Can the objectives of the study be met by other studies?
 - 5) Will the study provide information of broad value to customers, regulators, transmission providers and other interested stakeholders?
 - 6) Can similar requests for studies or scenarios be represented generically if the projects are generally electrically equivalent?
 - 7) Can requests be aggregated into energy or load aggregation zones with generic transmission expansion between?
 - 8) Does the study request require the use of production cost simulation or can it be better addressed through technical studies, i.e., power flow and stability analysis?
- v. Priority Local Economic Study Requests. If SRP determines that the economic planning study request is a priority local request, SRP will conduct the study and coordinate assumptions and results with its transmission customers, stakeholders and interconnected neighbors. SRP will have no obligation to conduct more than three priority local economic planning studies per calendar year. If SRP receives more than three requests for local economic studies that are determined to be

priority local requests, it may perform one or more additional studies at its sole discretion. If SRP elects not to perform such additional study, the Requester may request, and SRP will provide, its assistance in having a third party perform the economic planning study at the Requester's expense. The Requester will have use of WECC's economic study database and SRP will support the Requester in ensuring that the study is coordinated as necessary through local, subregional or regional planning groups.

- c. Process for Administering Economic Study Requests Received by the StS. The StS will review economic planning study requests received either from transmission providers or from Requesters directly. StS shall review such study requests and, together with its stakeholders, prioritize requests for economic planning studies in accordance with the Studies Subcommittee Study Program Protocol. SRP shall participate in the StS prioritization process and provide input as to whether a study request should be included in the StS study plan. The Requester is also encouraged to participate and provide input in the StS prioritization process. Additionally, WestConnect will provide advice, on an as needed basis, to the StS regarding prioritizing regional economic planning study requests and potential clustering of requested regional economic planning studies, if those studies involve facilities in the WestConnect footprint. For more detail regarding the StS economic planning study process, see the Studies Subcommittee Study Program Protocol (see *SRP Attachment K Hyperlinks List*, <http://www.oatiosis.com/SRP/index.html>).
- d. Low Priority Economic Study Requests. If either SRP or the StS determines, after reviewing through an open stakeholder process, that the requested economic planning study is not a priority study, the Requester may request SRP's assistance in having a third party perform the economic planning study at the Requester's expense. The Requester will have use of the WECC economic study database and SRP will support the Requester in ensuring that the study is coordinated as necessary through local, subregional or regional planning groups.
- e. Clustering Priority Local Economic Planning Studies. SRP may determine that any number of Requesters' economic planning study requests should be studied together, or a Requester may request that SRP study its request together with other requests. SRP will consider the following criteria to determine whether to cluster requested priority local economic studies, both on its own volition and in response to a Requester's request:
 - i. SRP-Proposed Clusters. In the event that SRP proposes to cluster certain priority local economic planning studies on any reasonable grounds, including, without limitation, upon its determination that the proposed cluster studies are sufficiently similar, from an electrical perspective, to be feasibly and meaningfully studied as a group, it shall provide notice to each Requester that it proposes to include in the study. Each Requester shall be provided the opportunity to opt out of the cluster within ten (10) days of notice from SRP.

- ii. Requester-Proposed Clusters. If a Requester wishes to propose a cluster study, prior to submitting an economic planning study cluster request to SRP, the Requester must contact all of the other Requesters whose requests it proposes to cluster and obtain their written consent that they are willing to have their request clustered with other identified requests. SRP will reasonably determine whether the local economic planning study requests that the Requester proposes to cluster and for which the other affected Requesters have provided consent, are sufficiently similar, from an electrical perspective, to be feasibly and meaningfully studied together. SRP reserves the right to reject a Requester-proposed cluster on any reasonable grounds, including, without limitation, upon its determination that the proposed cluster cannot be feasibly studied as a group or that the proposed clustering impairs administration or timely processing of the economic study process. SRP will make the determination whether to reject a proposed cluster, and provide notice of any decision to reject, within twenty (20) days of receipt of all of the written consents of the Requesters that propose to be clustered.
- f. Cost Responsibility for Economic Planning Studies.
 - i. Priority Local Economic Planning Studies. Priority local economic planning studies selected pursuant to Section II.A.4.b.v, including clustered priority local economic planning studies selected pursuant to Section II.A.4.e, will be performed or caused to be performed by SRP at SRP's expense.
 - ii. Priority Regional Economic Planning Studies. Priority regional economic planning studies will be performed by StS and funded by WECC.
 - iii. Other Local Economic Study Requests. Local economic study requests not selected pursuant to Sections II.A.4.b.v or II.A.4.e will be performed at the Requester's expense. At the Requester's request, SRP may perform the study work or work with the Requester and its third party contractor.
- g. Exchange of Data Unique to Economic Planning Studies.
 - i. Data Used for Economic Planning Studies. SRP obtains all data used for its economic planning studies from the WECC database.
 - ii. Request for Base Case Data. Requester's request for detailed base case data must be submitted to WECC in accordance with the WECC procedures.
 - iii. Posting of Requests for Economic Planning Studies. All requests made to SRP for economic planning studies and responses to such requests shall be posted on the SRP OASIS and the WestConnect website, (see *SRP Attachment K Hyperlinks List*,

<http://www.oatioasis.com/SRP/index.html>) subject to confidentiality requirements.

- h. SRP Point of Contact for Study Requests. SRP will identify a Point of Contact on its OASIS to respond to customer/stakeholder questions regarding modeling, criteria, assumptions, and data underlying economic planning studies (see *SRP Attachment K Hyperlinks List*, <http://www.oatioasis.com/SRP/index.html>).

B. SRP Open Public Planning Meetings - Overview

SRP will conduct at least two open public planning meetings each year, scheduled in coordination with four SWAT open public transmission planning meetings, in order to allow and encourage transmission customers, sponsors of transmission solutions, generation solutions and solutions utilizing demand resources, interconnected neighbors, regulatory and state bodies and other stakeholders to participate in a coordinated, nondiscriminatory process for development of the SRP transmission plan.

1. Purpose and Scope. SRP's open public transmission planning meetings will provide an open transparent forum whereby electric transmission stakeholders can comment and provide advice to SRP during all stages, including the early stages, of its transmission planning. These public transmission planning meetings will serve to:
 - a. Provide a forum for open and transparent communications among Arizona transmission providers, state regulatory authorities, customers, sponsors of transmission solutions, generation solutions and solutions utilizing demand resources, and other interested stakeholders;
 - b. Promote discussion of all aspects of the SRP transmission planning activities, including, but not limited to, methodology, study inputs and study results; and
 - c. Provide a forum for SRP to better understand the specific electric transmission interests of stakeholders.
2. SRP Public Planning Meeting Process
 - a. Open Stakeholder Meetings. All SRP public planning meetings will be open to all stakeholders.
 - b. SRP Public Planning Meeting Schedule. SRP will establish its public planning meeting schedule as needed, but no less than twice annually.
 - c. Meeting Purpose. Meetings will be conducted to (i) allow SRP to maximize its understanding of its transmission customers' forecasted needs for the SRP transmission system; (ii) offer transmission customers, sponsors of transmission solutions, generation solutions and solutions utilizing demand resources, and other stakeholders an opportunity to be informed about, and offer input and advice into, the SRP transmission system and planning

process, as well as to propose alternatives for any upgrades identified by SRP; (iii) review study results; and (iv) review transmission plans.

- d. Coordination of Meeting Schedules with SWAT Meetings. SRP's public planning meetings will be scheduled in coordination with SWAT's quarterly planning meetings described in more detail below (see Section III.B).
- e. Posting of Meeting Notices. All meeting notices for SRP's public planning meetings, including date, time, place and draft meeting agenda, will be posted on the SRP OASIS and WestConnect website (see *SRP Attachment K Hyperlinks List*, <http://www.oatioasis.com/SRP/index.html>), and circulated to SRP's distribution list at least 30 days prior to the SRP public planning meeting.
- f. Posting of Study Plans and Planning Results. Study plans and planning results will be posted on the SRP OASIS and WestConnect website (see *SRP Attachment K Hyperlinks List*, <http://www.oatioasis.com/SRP/index.html>), and circulated to SRP's distribution list at least two weeks prior to the SRP public planning meeting.
- g. Meeting Process. At the SRP public planning meetings, SRP shall (i) review its transmission planning process and current study plan with stakeholders; (ii) request stakeholder review of the current study plan; (iii) provide an opportunity for comment on any aspect of its transmission planning process; (iv) invite the submittal of transmission study requests from stakeholders for review and discussion; (v) review local economic planning study requests; and (vi) provide updates on its planned projects. During the meeting, and for fifteen (15) calendar days following the meeting, all stakeholders and interested parties will be encouraged to submit comments to SRP on study results presented in the SRP meeting. The final local study results and study plan will be posted on SRP's OASIS and the WestConnect website (see *SRP Attachment K Hyperlinks List*, <http://www.oatioasis.com/SRP/index.html>).
- h. Electronic Input and Comments. Stakeholders and interested parties may provide input, comments, advice and questions on SRP's transmission planning process at any time by sending e-mails to SRP.TransmissionPlanning@srpnet.com.
- i. SRP Public Planning Meeting Schedule.
 - i. At the 2nd Quarter public planning meetings, SRP will review information on loads, resources (including demand response resources), and other needs from its transmission customers, together with specific requests submitted either prior to or during the SRP 2nd Quarter meeting (see Section II.A.3.d.i) for inclusion in SRP's draft transmission study plan.
 - ii. At the 4th Quarter public planning meetings, SRP will review economic planning study requests received by October 31 (see Section II.A.4.a) and present a draft of its Ten Year Transmission Plan for stakeholder review and comment.

- iii. This schedule may be modified to coordinate with the subregional and regional transmission planning processes, subject to updated postings on the SRP OASIS and WestConnect website (see *SRP Attachment K Hyperlinks List*, <http://www.oatioasis.com/SRP/index.html>).
- j. SRP Distribution List. All existing SRP transmission customers, network and point-to-point, will be included on SRP's distribution list and actively notified via e-mail of all upcoming SRP public planning meetings. Any other stakeholder, including but not limited to sponsors of transmission solutions, generation solutions and solutions utilizing demand resources, wanting to be included on SRP's e-mail distribution list should submit its information, including name, company name, address, telephone number and e-mail address, to the SRP Point of Contact at SRP.TransmissionPlanning@srpnet.com identified on the SRP OASIS (see *SRP Attachment K Hyperlinks List*, <http://www.oatioasis.com/SRP/index.html>).
- k. Posting of Meeting Documents. SRP will post all notes, documents and draft or final reports related to its public planning meetings on its OASIS and the WestConnect website (see *SRP Attachment K Hyperlinks List*, <http://www.oatioasis.com/SRP/index.html>).
- l. Posting of Public Documents. In order to permit all stakeholders access to the information posted on the SRP OASIS and WestConnect websites, only public information will be shared, and public business conducted, in the SRP open public planning meetings.

C. Ten Year Transmission Plan

Each year SRP uses the planning process described in Section II.A.3 above to update its Ten Year Transmission Plan (see *SRP Attachment K Hyperlinks List*, <http://www.oatioasis.com/SRP/index.html>). The SRP Ten Year Transmission Plan identifies its new transmission facilities, 115 kV and above, and all facility replacements/ upgrades required over the next ten years to reliably and economically serve its needs.

III. Subregional and Regional Coordination

Transmission Planning and Coordination at the WestConnect-SWAT-CCPG-SSPG Subregional Level.

A. Overview

SRP is a party to the WestConnect STP Project Agreement (see *SRP Attachment K Hyperlinks List*, <http://www.oatioasis.com/SRP/index.html>) and is actively engaged in the SWAT planning group. The WestConnect footprint, which includes the regions covered by SWAT, CCPG and SSPG, their successors or any other subregional transmission planning group that may form within the WestConnect footprint, encompasses the states of Arizona, Colorado, New Mexico, Nevada, and parts of California, Texas and Wyoming. SRP actively participates in the SWAT transmission planning process to ensure that SRP's transmission plans, together with data and assumptions, are included in and coordinated with the SWAT subregional transmission plan. The

WestConnect planning manager works with the WestConnect subregional transmission planning groups to coordinate the subregional transmission plans and produce the WestConnect Transmission Plan.

B. SWAT's Role in the Subregional Transmission Planning Process

1. **SWAT's Role.** SWAT is tasked with bringing transmission planning information together and sharing updates on active projects within the Southwest subregion. The SWAT subregional transmission planning group provides an open forum where any stakeholder interested in the planning of the transmission system in the SWAT footprint, including sponsors of transmission solutions, generation solutions, and solutions utilizing demand resources, can participate and obtain information regarding base cases, plans, and projects and provide input or express its needs as they relate to the transmission system. SWAT does not conduct economic planning studies.
2. **SWAT Participation.** The SWAT subregional transmission planning group is comprised of transmission providers, transmission users, transmission operators, state regulatory entities and environmental entities. Membership is voluntary and open to all interested stakeholders, including sponsors of transmission solutions, generation solutions, and solutions utilizing demand resources. SRP will participate in SWAT and relevant SWAT subcommittees and work groups and will submit its Ten Year Transmission Plan to the relevant work groups. SRP's Ten Year Transmission Plan will then be incorporated within the SWAT subregional transmission plan in accordance with the WestConnect STP Project Agreement (see *SRP Attachment K Hyperlinks List*, <http://www.oatioasis.com/SRP/index.html>). SRP will incorporate any applicable information, data or study results from SWAT into the SRP planning process.
3. **Subregional Coordination through SWAT.** SWAT's role is to promote subregional transmission planning and development in the Desert Southwest and to ensure that all of the transmission plans of the individual transmission providers in the SWAT footprint are coordinated, in order to maximize use of the existing transmission system and identify the transmission expansion alternatives that most effectively meet future needs. The SWAT subregional transmission planning group includes footprint-wide and geographically-based subcommittees, which are overseen by the SWAT Oversight Committee. The subcommittee study groups provide an open forum for entities, including sponsors of transmission solutions, generation solutions, and solutions utilizing demand resources, to address transmission planning issues within their geographic areas (see *SRP Attachment K Hyperlinks List*, <http://www.oatioasis.com/SRP/index.html>).
4. **SWAT Provides a Forum for Project Sponsors.** The SWAT subregional transmission planning group and its subcommittees provide an open forum for: (i) stakeholders to participate in the planning of the transmission system in the SWAT footprint, obtain information regarding base cases, plans and projects, and provide input and/or express their needs as they relate to the transmission system; (ii) project sponsors, including sponsors of transmission solutions, generation solutions, and solutions utilizing demand resources, to introduce their specific projects to interested stakeholders and potential partners; and (iii) initiation of joint

studies of these projects, coordination with other projects, and project participation, including ownership from other interested parties.

5. SWAT's Open Planning Meetings. SWAT hosts four open public stakeholder meetings per calendar year, one each quarter, for subregional transmission planning. Generally, the Annual Joint SWAT-CCPG-SSPG meeting is held during the 3rd Quarter.
6. Stakeholder Assistance. SRP will assist transmission customers and stakeholders interested in becoming involved in the subregional transmission planning process, including sponsors of transmission solutions, generation solutions, and solutions utilizing demand resources, by directing them to appropriate contact persons and websites. Stakeholders may request such assistance by contacting the SRP Point of Contact at SRP.TransmissionPlanning@srpnet.com. All transmission customers and stakeholders are encouraged to bring their plans for future generators, demand resources, loads or transmission services to the SWAT planning meetings.
7. Meeting Agendas. SRP will work with SWAT and WestConnect to ensure that the meeting agendas for SWAT, WestConnect, SRP and any other planning meetings scheduled in conjunction with the SWAT meetings are sufficiently detailed, posted on the WestConnect website (see *SRP Attachment K Hyperlinks List*, <http://www.oatioasis.com/SRP/index.html>), and circulated to the appropriate distribution list(s) in advance of the meetings in order to allow transmission customers and stakeholders the ability to choose their meeting attendance most efficiently.

C. WestConnect's Role in SWAT and the Subregional Transmission Planning Process

1. WestConnect STP Project Agreement. Each WestConnect party is a signatory to the West Connect STP Project Agreement (see *SRP Attachment K Hyperlinks List*, <http://www.oatioasis.com/SRP/index.html>), which formalizes the parties' relationships and establishes obligations among the signatory transmission providers to coordinate subregional transmission planning among the WestConnect participants and the subregional transmission planning groups, participate in the subregional transmission planning groups, as appropriate, and produce a WestConnect Transmission Plan. The WestConnect STP Project Agreement is also open for participation by other non-WestConnect transmission providers that participate in the transmission planning activities of SWAT, CCPG, SSPG, their successors, or any other subregional transmission planning group that may form within the WestConnect footprint.
2. WestConnect Objectives and Procedures for Regional Transmission Planning. Pursuant to the WestConnect Objectives and Procedures for Regional Transmission Planning, which are part of the WestConnect STP Project Agreement, SRP, along with the other WestConnect STP Project Agreement participants, agrees to work through the subregional transmission planning groups' processes to integrate its Ten Year Transmission Plan with the other WestConnect participants' transmission plans into one ten year regional transmission plan for the WestConnect footprint by, among other activities:

- a. Actively participating in the subregional transmission planning processes, including submitting its respective expansion plan, associated study work and pertinent financial, technical and engineering data to SWAT to support the validity of SRP's plan;
 - b. Coordinating, developing and updating common base cases to be used for all study efforts within the SWAT, CCPG and SSPG planning groups and ensuring that each plan adheres to the common methodology and format developed jointly by the WestConnect subregional transmission planning groups for this planning purpose;
 - c. Providing funding for the WestConnect STP Project Agreement planning management functions pursuant to the WestConnect STP Project Agreement;
 - d. Retaining a planning manager to oversee the WestConnect STP Project Agreement process, ensure comparability among the subregional processes and perform the study work required to pull all the plans together;
 - e. Maintaining a regional planning section on the WestConnect website where all WestConnect planning information, including meeting notices, meeting minutes, reports, presentations, and other pertinent information is posted; and
 - f. Posting detailed notices on all SWAT, CCPG and SSPG meeting agendas on the WestConnect website (see *SRP Attachment K Hyperlinks List*, <http://www.oatiosis.com/SRP/index.html>).
3. WestConnect Meetings. WestConnect hosts two open public stakeholder meetings for transmission planning per calendar year in the 1st and 4th Quarters, respectively.
 4. WestConnect Role in Economic Planning. WestConnect will provide advice, on an as needed basis, to the StS regarding prioritizing regional economic planning study requests and potential clustering of requested regional economic planning studies, if those studies involve facilities in the WestConnect footprint. WestConnect will not conduct economic planning studies.

D. Quarterly Schedule of Subregional and Local Transmission Planning Meetings

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

The proposed focus of the SWAT meetings, WestConnect transmission planning meetings and SRP's public planning meetings will be:

1st Quarter Meetings

SWAT Meeting.

- Approve the final SWAT report for the previous year's study work.
- Approve SWAT study plans for the new year.

WestConnect Planning Annual Meeting (see *SRP Attachment K Hyperlinks List*, <http://www.oatioasis.com/SRP/index.html>)

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

2nd Quarter Meetings

SWAT Meeting.

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

SRP's Open Public Planning Meeting.

- SRP reviews its transmission planning process and current study plan with customers and stakeholders, and requests their review, comment and advice on any aspect of its transmission planning process. Additionally, SRP reviews information on loads, resources, including demand response resources, and other needs received by September 1 of the prior year (see Section II.A.3.c) from its customers and stakeholders.

3rd Quarter Meetings

SWAT Meeting.

- Annual Joint SWAT-CCPG-SSPG meeting.
- SWAT, CCPG and SSPG present current study results and approve key results, findings, and conclusions.
- SWAT specifically invites customer and stakeholder review, comment, advice and transmission study requests for the SWAT transmission planning process.

4th Quarter Meetings

SWAT Meeting.

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

WestConnect Planning Workshop.

- Present each current year study supported by (i) final report or (ii) status summary report.
- Present each WestConnect transmission provider's draft ten year transmission plan.
- Present proposed study plans from SWAT, CCPG and SSPG.
- Discuss future study needs with input from
 - Study groups
 - StS

- Other subregional planning groups
- Stakeholders at large
- Draft the WestConnect Ten Year Transmission Plan.
- Draft the WestConnect Transmission Planning Study Report.

SRP's Open Public Planning Meeting.

- SRP reviews economic planning study requests received by October 31 (see Section II.A.4.a) and presents a draft of its Ten Year Transmission Plan for stakeholder review and comment.

IV. Coordination at the Western Interconnection Level

A. SRP-SWAT-WestConnect Coordination

SRP will coordinate its transmission plan on a west-wide regional basis through SWAT and WestConnect. WestConnect will coordinate its subregional transmission plan with the other subregional plans in the Western Interconnection and at the StS level.

B. Procedures for WECC Regional Planning Project Review

1. WECC Coordination of Reliability Planning.

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

2. WECC-RAC Open Stakeholder Meetings. Western Interconnection-wide economic planning studies are conducted by the WECC-StS in an open stakeholder process that holds region-wide stakeholder meetings on a regular basis. The WECC-StS Study Program Protocol, including its procedures for prioritizing and completing regional economic studies, is posted on the WECC website (see *SRP Attachment K Hyperlinks List*, <http://www.oatiaoasis.com/SRP/index.html>). SRP participates in the region-wide transmission planning process, as appropriate, to ensure that data and assumptions are coordinated.

3. Role of WECC. WECC through RAC provides two primary functions in relation to the SRP transmission planning process:

- a. Development and maintenance of the west-wide economic planning study database.
 - i. WECC uses publicly available data to compile a database that can be used by a number of economic congestion study tools.
 - ii. WECC's database is publicly available for use in running economic congestion studies. For an interested transmission customer or stakeholder to utilize WECC's planning model, it must comply with WECC confidentiality requirements.
- b. Performance of economic planning studies. The StS study program schedule is described in the WECC Studies Subcommittee Study Program Protocol, (see *SRP Attachment K Hyperlinks List*, <http://www.oatiaoasis.com/SRP/index.html>) during which it will update databases, develop and approve a study plan that includes studying Requesters' high priority economic study requests as determined by the open stakeholder process, perform the approved studies and document the results in a report.

V. Recovery of Planning Costs

Unless SRP allocates planning-related costs to an individual stakeholder as permitted under its OATT, all costs incurred by the SRP related to its annual Ten Year Transmission Planning process, or its participation in the sub-regional or regional planning processes, shall be included in the SRP's transmission rate base.

VI. Dispute Resolution

A. Informal Consultation and Mediation

Any dispute between a transmission customer or Requester and SRP ("Disputant or Disputants") involving ATTACHMENT K shall be referred to a designated senior representative of SRP and a senior representative of the transmission customer or Requester for resolution on an informal basis as promptly as practicable. In the event the representatives designated to informally consult and resolve the dispute are unable to reach resolution within thirty (30) days (or such other period as the Disputants may agree upon), such dispute may be submitted by mutual agreement to mediation (either before or during arbitration), and all applicable timelines will be suspended until such time as the mediation process terminates (unless otherwise agreed by the Disputants). If the Disputants mutually agree to submit the dispute to arbitration rather than to mediation, the dispute will be resolved in accordance with the arbitration procedures set forth below. If the Disputants are unable to reach mutual agreement to submit a dispute to arbitration, a Disputant may, if appropriate, pursue any remedy available to it in law or in equity.

B. External Arbitration Procedures

Any arbitration initiated under ATTACHMENT K shall be conducted before a single neutral arbitrator appointed by the Disputants. If the Disputants fail to agree upon a single arbitrator within ten (10) days of the referral of the dispute to arbitration, each Disputant shall choose one arbitrator who shall sit on a three-member arbitration panel. The two arbitrators so chosen shall within twenty (20) days select a third arbitrator to chair the arbitration panel. In either case, the

arbitrators shall be knowledgeable in electric utility matters, including electric transmission and bulk power issues, and in transmission planning and shall not have any current or past substantial business or financial relationships with any Disputant (except prior arbitration). The arbitrator(s) shall provide each of the Disputants an opportunity to be heard and, except as otherwise provided herein, shall generally conduct the arbitration in accordance with the Commercial Arbitration Rules of the American Arbitration Association.

C. Arbitration Decisions

Unless otherwise agreed, the arbitrator(s) shall render a decision within ninety (90) days of appointment and shall notify the Disputants in writing of such decision and the reasons therefore. The arbitrator(s) shall be authorized only to interpret and apply the provisions of ATTACHMENT K and shall have no power to modify or change any of the above in any manner. The decision of the arbitrator(s) shall be final and binding upon the Disputants, and judgment on the award may be entered in any court having jurisdiction.

D. Arbitration Costs

Each Disputant 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 Disputant 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 Disputants.

VII. Cost Allocation for New Transmission Projects

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

1. Open Season Solicitation of Interest. For any transmission project identified in an SRP reliability or economic planning study in which SRP is the project sponsor, SRP may elect to provide an "open season" solicitation of interest to secure additional project participants. Upon a determination by SRP to hold an open season solicitation of interest for a transmission project, SRP will:
 - a. Announce and solicit interest in the project through informational meetings, its website and/or other means of dissemination as appropriate.
 - b. Hold meetings with interested parties and meetings with public utility staffs from potentially affected states.
 - c. Post information via WECC's planning project review reports.
 - d. Develop the initial transmission project specifications, the initial cost estimates and potential transmission line routes; guide negotiations and assist interested parties to determine cost responsibility for initial studies; guide the project through the applicable line siting processes; develop final project specifications

and costs; obtain commitments from participants for final project cost shares;
and secure execution of construction and operating agreements.

2. SRP Coordination within a Solicitation of Interest Process.

SRP, whether as a project sponsor or a participant, will coordinate as necessary with any other participant or sponsor, as the case may be, to integrate into SRP's Ten Year Transmission Plan any other planned project on or interconnected with SRP's transmission system.

3. SRP Projects without a Solicitation of Interest.

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

4. Allocation of Costs.

a. Proportional Allocation.

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

b. Economic Benefits or Congestion Relief.

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

c. SRP Rate Recovery.

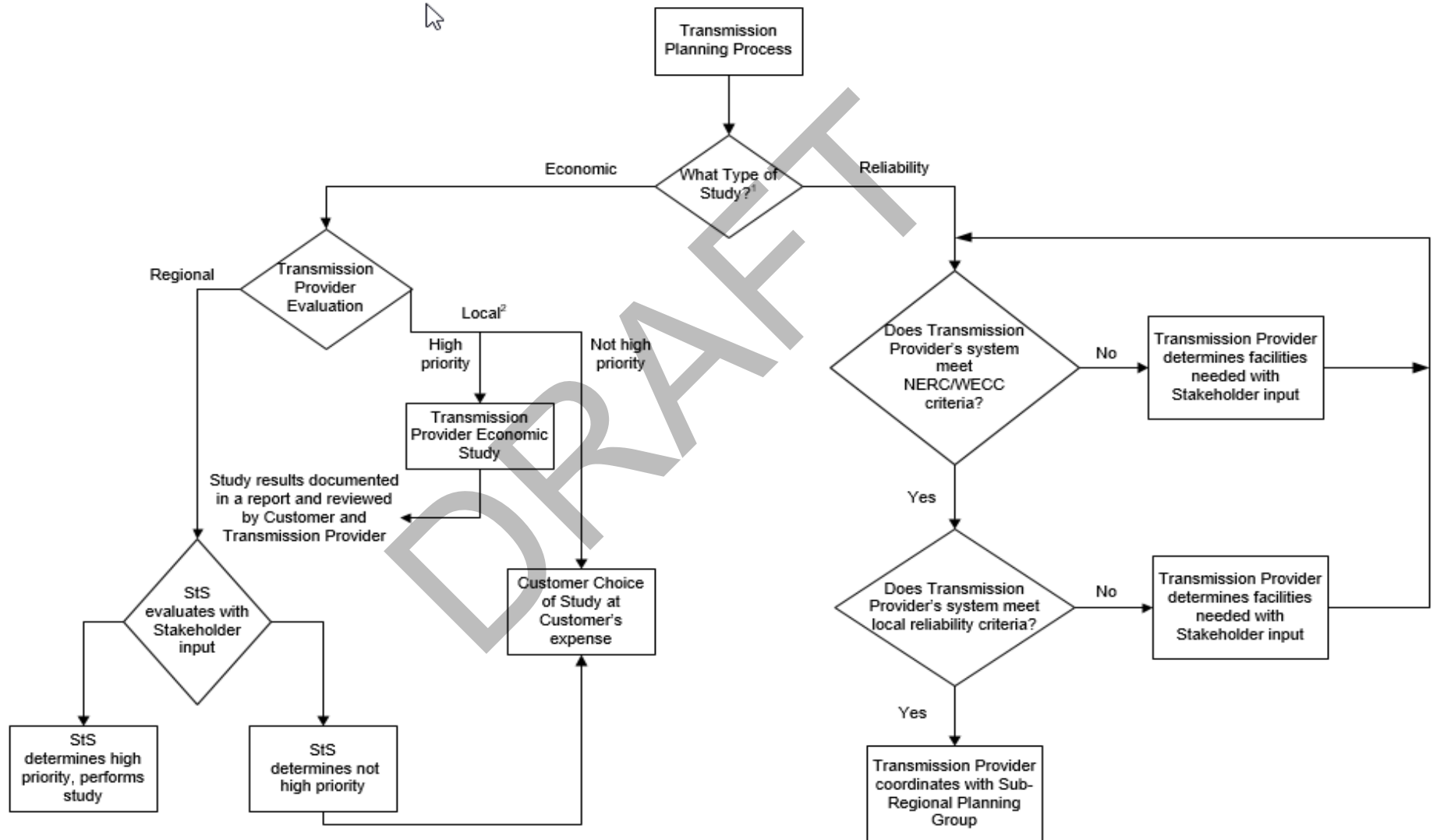
Notwithstanding the foregoing provisions, SRP will not assume cost responsibility for any transmission project if the cost of the project is not reasonably expected to be recoverable in its retail and/or wholesale rates.

d. Exclusions.

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

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Exhibit 1



1. Generator Interconnection Request studies are performed pursuant to the Large Generator Interconnection Procedure contained in the Transmission Provider's Open Access Transmission Tariff (OATT). Transmission Service Requests are also performed pursuant to OATT procedures.
2. All requests for economic planning studies received by the Transmission Provider are forwarded to StS for inclusion in the StS Study Program. StS will evaluate only those requests that have regional impacts.

ATTACHMENT L Creditworthiness Procedures

A. Purpose

For the purpose of determining the ability of the Transmission Customer to meet its financial obligations related to Transmission Service under SRP's OATT, SRP shall use the following credit review procedures. This review shall be made in accordance with standard commercial practices. SRP may identify any financial security requirements and establish a total credit limit for each Transmission Customer. Credit reviews will be performed by SRP on at least an annual basis or more frequently as determined by SRP.

B. Procedure for Determining Level of Credit

Prior to initiation of service under this Tariff, if so requested, the Transmission Customer shall provide SRP with evidence satisfactory to SRP of the Transmission Customer's creditworthiness. SRP will grant credit approval to a Transmission Customer or guarantor that holds a long-term senior unsecured debt rating from Standard & Poor's (S&P) or Moody's Investor Service (Moody's) of at least BBB- or Baa3, respectively. If ratings are split, SRP will use the lower of the ratings.

SRP may require a customer to have credit support if it does not receive a score equivalent to at least BBB- or Baa3 or above rating by S&P or Moody's, respectively. Any credit support required by SRP shall be limited to a reasonable estimate of the transmission charges owed to SRP were the customer to fail to perform its obligations under this SRP Tariff.

C. Types of Acceptable Collateral/Security

When credit support is required, SRP may require the customer to provide the following types of security:

Posting of a letter of credit acceptable to SRP.
A cash prepayment.
A cash margin deposit with margin agreement.
The posting of other collateral or security acceptable to SRP.
A guarantee agreement executed by a creditworthy guarantor, or
Some other mutually agreeable method of satisfying SRP.

All types of security must be in a form acceptable to SRP. The determination as to which alternative form of security may be acceptable will be made on a case-by-case basis according to the customer's financial health and other relevant known information. This decision will be made in a non-discriminatory manner.

D. Procedure for Notification of Changes in Creditworthiness

If SRP determines there is a change in the creditworthiness of a Transmission Customer or a Transmission Customer's guarantor and such change would affect the level of credit security required by SRP, SRP will notify the Transmission Customer in writing within thirty (30) days of such determination. In its notification, SRP will identify any changes to the Transmission Customer's credit security requirements.

E. Procedure for Providing Explanation of Changes in Creditworthiness

If a change in the Transmission Customer's creditworthiness as determined by SRP should affect the level of security required by SRP, the Transmission Customer, upon written request to SRP, may request in writing a written explanation for any change in credit levels or credit security determined by SRP. The Transmission Customer must make this written request within thirty (30) days of such change. SRP shall provide a written explanation to the Transmission Customer within thirty (30) days of receiving such written request.

F. Procedure for Contesting Creditworthiness Determinations

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

G. Procedure to Post Additional Credit Security

If SRP determines that the Transmission Customer is required to post additional credit security, the Transmission Customer must post credit security in the amount determined by SRP within five (5) business days of receipt of written notification from SRP. Failure of the Transmission Customer to provide such increased security to SRP within such time period~~five (5) days~~ may result in SRP's refusal to conduct transmission services business until the Transmission Customer provides the required security.

H. Suspension of Service

SRP may suspend Transmission Service if: (i) a Transmission Customer that is in d~~D~~efault pursuant to Section 7.3 of this Tariff fails to provide the entirety of three (3) months of required financial assurances (or the entirety of any additional financial assurances s required pursuant to this Attachment) within thirty-five (35) days after SRP's notification to such Transmission Customer pursuant to this Attachment; or (ii) a Transmission Customer that is in d~~D~~efault pursuant to Section 7.3 of this Tariff fails to provide the entirety of the one (1) month's of required~~the one (1) month's of required~~ financial assurances s within five (5) business days after the SRP's notification to such Transmission Customer pursuant to this Attachment.

Any notices sent to the Transmission Customer pursuant to this Attachment~~Section~~ may be telefaxed or mailed. The suspension of service shall continue only for as long as the circumstances that entitle SRP to suspend service continue. A Transmission Customer is not obligated to pay for Transmission Service that is not provided as a result of a suspension of service.

ATTACHMENT M
[Reserved for Future Use]

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~~Form of Service Agreement for Generation Integration Transmission Service~~

~~1.0 This Service Agreement for Generation Integration Transmission Service ("Service Agreement"), dated as of _____, is entered into by and between Salt River Project Agricultural Improvement and Power District ("SRP"), an agricultural improvement district organized under the laws of the State of Arizona, and _____ ("GITS Customer") which hereinafter may be referred to collectively as "Parties" and individually as "Party".~~

~~2.0 The GITS Customer has been determined by SRP to be an Eligible Customer under Parts I and IV of this Tariff and has submitted a Completed Application for Generation Integration Transmission Service in accordance with Section 38.2 of the Tariff.~~

~~3.0 The GITS Customer has provided to SRP an Application deposit in the amount of \$_____, or the Application deposit has been waived in accordance with the provisions of Section 38.3 of the Tariff.~~

~~4.0 The GITS Customer has complied with SRP's creditworthiness requirements. SRP shall have the right to periodically review the Transmission Customer's ability to comply with SRP's creditworthiness requirements during the term of any transaction entered into under this Service Agreement and to require the GITS Customer to provide additional security, if determined necessary by SRP, pursuant to Section 11 and Attachment L of the Tariff.~~

~~5.0 The GITS Customer has executed a Generation Integration Transmission Service Operating Agreement with SRP.~~

~~6.0 Service under this Service Agreement shall commence on the later of (1) _____, or (2) the date on which construction of any Direct Assignment Facilities and/or Network Upgrades are completed.~~

~~7.0 GITS is limited to a minimum term of one (1) year and a maximum term of three (3) years. Transmission Customer understands that SRP's obligation to serve Native Load Customers is projected in the SRP Board approved forecast to increase. For this reason, GITS Customer understands that any extension of service upon expiration of this Service Agreement shall be limited to a term of one year, subject to the requirements for longer terms provided in Section 2.1 of this Tariff, and shall be further subject to a reduction in Reserved Capacity to allow SRP to meet its reasonably forecasted Native Load service obligation and to provide service to SRP's Network Integration Transmission Service Customers' requirements as projected in the SRP Board approved forecast. Moreover, Transmission Customer understands that SRP may also be obligated to reduce Transmission Customers' Reserved Capacity for any term that may be available following expiration of this Service Agreement if SRP, in compliance with any current or future mandatory rule or regulation, must re-calculate available transfer capability on relevant portions of the Transmission System such that there is insufficient available transfer capability to serve SRP's forecasted Native Load service obligations and to serve SRP's Network Integration Transmission Customers' requirements as well as GITS Customer's Reserved Capacity requirements under this Service Agreement. Accordingly, notwithstanding Section 2.1 or any other provision in this Tariff, GITS Customer relinquishes its right to renew this Service Agreement at the expiration of the initial or any~~

~~subsequent term(s), subject to a determination based on the projections in the SRP Board approved forecast, and also subject to the availability of sufficient Reserved Capacity as a result of SRP's re-calculation of available transfer capability in accordance with any current or future mandatory rule or regulation governing calculation of same, that there is adequate transfer capability to continue to service Transmission Customer in addition to SRP's Native Load customers and other customers of SRP with higher priority to SRP's Transmission Service. If adequate transfer capability is not available, for any one or more of the reasons specified herein, SRP will offer the remaining available transfer capability, if any, on its OASIS and GITS Customer will have a right of first refusal over all other competing requests. Notwithstanding GITS Customer's right of first refusal over any such remaining capacity, GITS Customer's right to renew this Service Agreement is further subject to Sections 39-41 of this Tariff and is also subject to GITS Customer's agreement to pay any costs of Network Upgrades that SRP is authorized to charge to GITS Customer.~~

~~8.0 — SRP shall provide and the GITS Customer shall take and pay for Generation Integration Transmission Service in accordance with the provisions of Part IV of this Tariff, this Service Agreement, and the Generation Integration Transmission Service Operating Agreement, as they may be amended from time to time. Exhibit 1 to this Service Agreement lists Generation Integration Transmission Service resources, GITS Point(s) of Receipt and GITS Point(s) of Delivery between the Transmission Customer's facilities and the SRP Valley Network.~~

~~9.0 — SRP shall provide and the GITS Customer shall take and pay for Scheduling, System Control and Dispatch Service, Reactive Supply and Voltage Control services, Real Power Loss Service, and Generator Imbalance Service in accordance with Part II and Schedules 1, 2, 10 and 9 of the Tariff.~~

~~10.0 — The GITS Customer agrees to supply information SRP deems reasonably necessary in accordance with the provisions of Parts I and IV of the Tariff and this Service Agreement.~~

~~11.0 — Any notice or request made to or by either Party regarding this Service Agreement shall be made to the representative of the other Party as indicated below:~~

~~SRP:~~

~~Via United States Postal Service:~~

~~Director~~

~~Transmission and Generation Operations~~

~~SRP~~

~~P. O. Box 52025, POB 013~~

~~Phoenix, AZ 85072-2025~~

~~Fax: 602-236-3808~~

~~Via Hand Delivery:~~

~~Director~~

~~Transmission and Generation Operations~~

~~POB-013~~

~~SRP—Central Mail Receiving Station~~

~~2727 E. Washington Street~~

~~Phoenix, AZ 85034-1403~~

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~~GITS Customer:~~

~~Via United States Postal Service:~~

~~12.0 The Tariff is incorporated herein, made a part hereof and all Parties to this Service Agreement are bound to comply with applicable Tariff terms and conditions.~~

~~13.0 Payments for Generation Integration Transmission Service provided to the GITS Customer under this Service Agreement shall be sent to the name and address indicated on the bill provided to the GITS Transmission Customer by SRP.~~

~~14.0 The validity, interpretation and performance of this Service 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.~~

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

~~SRP:~~

~~By: _____~~

~~_____ Printed Name _____ Signature~~

~~_____ Title _____ Date~~

~~GITS Customer:~~

~~By: _____~~

Printed Name

Signature

Title

Date

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EXHIBIT 1

~~Specifications for Generation Integration Transmission Service~~

~~GITS Generation Resource(s):~~

~~2.0 Point(s) of Receipt:~~ _____

~~3.0 Point(s) of Delivery:~~ _____

~~4.0 Reserved Capacity for each Point of Receipt and Point of Delivery pair:~~

~~6.0 Valley Network Gates to be utilized and capacity allocation among Valley Network Gates:~~

~~7.0 Any other information required by SRP for purposes of system reliability and planning:~~

ATTACHMENT N
[Reserved for Future Use]

~~Form of Generation Integration Transmission Service Operating Agreement~~

~~This GENERATION INTEGRATION TRANSMISSION SERVICE OPERATING AGREEMENT (“Operating Agreement”) is entered into by and between Salt River Project Agricultural Improvement and Power District (“SRP”), an agricultural improvement district organized under the laws of the State of Arizona, and _____ (“GITS Customer”), which hereinafter may be referred to collectively as “Parties” and individually as “Party”.~~

~~1. Recitals~~

~~1.1 The GITS Customer has submitted to SRP a Completed Application requesting Generation Integration Transmission Service in accordance with Section 38.2 of the Tariff;~~

~~1.2 SRP has agreed to provide Generation Integration Transmission Service to the GITS Customer pursuant to the applicable terms and conditions contained in the Tariff and a Service Agreement for Generation Integration Transmission Service between SRP and the GITS Customer; and~~

~~1.3 SRP and the Customer desire to enter into this Operating Agreement to set forth the terms, conditions, and technical and operational matters under which the GITS Customer shall take the Generation Integration Transmission Service requested.~~

~~NOW, THEREFORE, in consideration of the mutual covenants and promises set forth herein, SRP and the GITS Customer agree as follows:~~

~~2. Definitions~~

~~Terms used herein with initial capitalization, whether in the singular or the plural, shall have the meanings specified in the Tariff and are hereby incorporated into this Operating Agreement. Terms used herein, whether in the singular or the plural, which are not defined in the Tariff shall have the meanings set forth below:~~

~~2.1 Data Acquisition Equipment: Supervisory control and data acquisition (“SCADA”) equipment, remote terminal units (“RTUs”) utilized to obtain information from a Party’s facilities, telephone equipment, leased telephone circuits, fiber optic circuits, and other communications equipment necessary to transmit data to remote locations, and any other equipment or service necessary to provide for the telemetry and control requirements of the Tariff.~~

~~2.2 Metering Equipment: State-of-the-art high accuracy, solid state kW and kWh meters, metering cabinets, metering panels, conduits, cabling, high accuracy current transformers and high accuracy potential transformers, which directly or indirectly provide input to meters or transducers, meter recording devices (e.g., solid state data receivers), telephone circuits, signal or pulse dividers, transducers, pulse accumulators, and any other metering equipment necessary to implement the provisions of the Tariff.~~

~~2.3 — NERC: The North American Electric Reliability Corporation and any successor organization.~~

~~2.4 — Party or Parties: SRP or the GITS Customer or both SRP and the GITS Transmission Customer.~~

~~2.5 — Protective Equipment: Protective relays, relaying panels, relaying cabinets, circuit breakers, conduits, cabling, current transformers, potential transformers, coupling capacitor voltage transformers, wave traps, transfer trip and fault recorders, which directly or indirectly provide input to relays, fiber optic communication equipment, power line carrier equipment and telephone circuits, and any other protective equipment necessary to implement the associated provisions of the Tariff.~~

~~2.6 — WECC: The Western Electricity Coordinating Council and any successor organization.~~

~~3. — Effective Date and Term of Service~~

~~This Operating Agreement shall become effective upon execution by both Parties and shall be coterminous with the Service Agreement for Generation Integration Transmission Service between SRP and the GITS Customer.~~

~~4. — Points of Receipt and Points of Delivery~~

~~4.1 — Generation Integration Transmission Service will be provided by SRP at the points of receipt and points of delivery specified in the Service Agreement for Generation Integration Transmission Service signed by SRP and GITS Customer, as may be amended from time to time. Each point of receipt and point of delivery in this listing shall have a unique identifier, meter location, meter number, metered voltage, terms on meter compensation, and designation of current or future in-service date.~~

~~4.2 — The GITS Customer shall be responsible for the cost of any studies that may be required to approve or disapprove a GITS Transmission Customer request to add, delete or change the points of receipt or points of delivery.~~

~~5. — GITS Customer Balancing Authority Area Requirements~~

~~5.1 — GITS Customer Balancing Authority Area Requirements: The GITS Customer shall: (i) operate as a Balancing Authority Area and fully comply with all criteria, policies, procedures and requirements of NERC and WECC, or (ii) SRP will provide Ancillary Services upon request and may agree to provide Balancing Authority Area services at its own discretion; or (iii) satisfy its Balancing Authority Area requirements, including Ancillary Services, by contracting with another entity which can satisfy those requirements in a manner that is consistent with Good Utility Practice and satisfies, but not be limited to, all criteria, policies, procedures and requirements of NERC and WECC.~~

~~5.2 — Changing Satisfaction of Balancing Authority Area Requirements: If the GITS Customer desires to change how it satisfies its Balancing Authority Area requirements, the GITS Transmission Customer must submit a new application for service under the Tariff.~~

~~5.3 — Balancing Authority Area Operations: SRP and the GITS Transmission (or the GITS Customer's host Balancing Authority Area entity in the event the GITS Customer is in another entity's Balancing Authority Area) shall operate and maintain their respective Balancing Authority Areas in a manner that will allow SRP to safely and reliably operate the Transmission System in accordance with the Tariff and with Good Utility Practice, so that either Party shall not unduly burden the other Party; provided, however, that notwithstanding any other provision of the Tariff, SRP shall retain the sole responsibility and authority for all operating decisions that could affect the integrity, reliability and security of the Transmission System.~~

~~5.4 — Balancing Authority Area Equipment: The GITS Customer shall be responsible for the purchase, installation, upgrading, operation, maintenance and replacement of all Data Acquisition Equipment, Metering Equipment, Protection Equipment, and any other associated equipment and software, which may be required by either Party for the GITS Customer to operate a Balancing Authority Area or for SRP to integrate the GITS Customer's Loads and Resources within SRP's Transmission System. SRP shall have the right to review and approve such equipment and software as may be required to ensure conformance with Good Utility Practice, prior to its installation.~~

~~5.5 — Scheduling: The GITS Customer schedules with SRP may be either static or dynamic. Dynamic schedules are updated in real time through telemetry and control equipment. Static schedules are metered and updated manually. The GITS Customer shall preschedule, confirm, and implement its schedules for all interchange and transmission service transactions in accordance with SRP standards and practices, and the terms and conditions of the Tariff.~~

~~5.6 — Balancing Authority Area Data: SRP shall incorporate the GITS Transmission Customer's Metering Equipment and Data Acquisition Equipment into the SRP energy control center to the extent the Parties determine it to be necessary to incorporate the GITS Customer's system into a single Balancing Authority Area operating within the SRP Transmission System consistent with the terms and conditions of the Tariff.~~

~~5.7 — Regulation: The GITS Customer shall be responsible for ensuring that its system is operated in a manner to provide for its generation at all times, and to hold any deviations from net interchange schedules to a minimum in accordance with the associated NERC and the WEGG requirements.~~

~~5.8 — Data Link Operations: The selection of real time telemetry and data to be received by SRP and the GITS Customer shall be made as necessary to ensure the reliability, security, economics, and/or monitoring of real time conditions that affect the SRP Transmission System. This telemetry shall include, but shall not be limited to, loads, line flows (real and reactive power), voltages, generator output, and breaker status at any of the GITS Customer's transmission and generation facilities. To the extent that SRP or the GITS Customer requires data that is not available from existing equipment, the GITS Customer shall, at its own expense, install any Metering Equipment, Data Acquisition Equipment, or other equipment and software necessary for the telemetry to be received by SRP or the GITS Customer via the Data Link. SRP shall have the right to inspect equipment and software associated with the Data Link in order to assure conformance with Good Utility Practice.~~

~~5.9 — Computer Modifications: The GITS Customer shall be responsible for implementing any computer modifications or changes required to its own computer system(s) as necessary to~~

~~implement the provisions of the Tariff. Any SRP computer system modifications necessary to accommodate the GITS Customer shall be performed at the GITS Customer's expense.~~

~~5.10— Metering: The Generator output and/or auxiliary loads flowing into or out of SRP's Balancing Authority shall be metered on an hourly integrated basis in accordance with the SRP standards or practices for similar metering.~~

~~5.11— Real-Time System Data Requirements: The GITS Customer shall provide or cause to be provided to SRP via the Data Link, any and all data associated with line flows, voltages, generator outputs, breaker status, etc. deemed necessary for SRP to provide Generation Integration Transmission Service under the Tariff and to ensure the security and reliability of the SRP Transmission System. Such data shall be provided at least once every ten (10) seconds with data not being older than twenty (20) seconds.~~

~~5.12— Disturbances: Each Party shall, insofar as practicable, protect, operate and maintain its system and facilities so as to avoid or minimize the likelihood of disturbances which might cause impairment of or jeopardy to service to the other Party, or to other interconnected systems~~

~~5.13— Maintenance of Control Equipment: The GITS Customer shall, on a regular basis or at request by SRP, and at its own expense, test, calibrate, verify, and validate the Metering Equipment, Data Acquisition Equipment, and other equipment or software used to determine Network Load. SRP shall have the right to inspect such tests, calibrations, verifications, and validations of the Metering Equipment, Data Acquisition Equipment, and other equipment or software used to determine the Network Load. Upon request by SRP, the GITS Customer will provide SRP a copy of the installation, test, and calibration records of the Metering Equipment, Data Acquisition Equipment, and other equipment or software. SRP, at the GITS Customer's expense, shall have the right to monitor the factory acceptance test, the field acceptance test, and the installation of any Metering Equipment, Data Acquisition Equipment, and other equipment or software used to determine the Network Load.~~

~~5.14— Loss of the Data Link: Whenever an outage of the Data Link occurs, each Party responsible for the component that is out should make every effort possible to correct the problem and minimize the outage time. An outage of the Data Link could result in the GITS Customer receiving services from SRP that it or a third party would normally provide. If the GITS Customer or one of its contractors is responsible for the outage and it receives services from SRP that it would not normally receive, SRP will charge the GITS Customer for these services at the rate allowed in the Tariff.~~

~~5.15— Balancing Authority Area Costs: The GITS Customer shall be responsible for all costs to establish, operate and maintain the GITS Customer's Balancing Authority Area services, including, but not limited to, engineering, administrative and general expenses, material, and labor expenses associated with the specifications, design, review, approval, purchase, installation, maintenance, modification, repair, operation, replacement, checkouts, testing, upgrading, calibration, removal, and relocation of equipment or software.~~

~~6.—— Operating Requirements~~

~~6.1— Conditions: A GITS Customer receiving SRP transmission service is obligated to follow the same practices and procedures for interconnection and operation that SRP uses for its own resources. Where the GITS Customer purchases Ancillary Services from third parties, the GITS~~

~~Customer shall have the responsibility to secure contractual arrangements with such third parties that are consistent with this Tariff, this Operating Agreement, NERC and WECC criteria, policies, procedures, and requirements.~~

~~6.1.1 GITS Customer's Generation: The GITS Customer shall operate its generating resources in a manner consistent with that of SRP, including following voltage schedules, unblocked governors, and meeting power factor requirements at the point of interconnection with SRP system and other such criteria required by NERC and WECC and consistently adhered to by SRP.~~

~~6.2 Loss Compensation: Losses for the GITS Customer's transmission of energy shall be supplied by the GITS Customer, SRP, or a third party. The method used by the GITS Customer to supply the losses will be determined and agreed to by SRP and the GITS Transmission Customer prior to this Operating Agreement becoming effective. When it is agreed that the GITS Customer can use more than one of the above methods to supply its losses, the GITS Customer must notify SRP at least one (1) working day before changing its supplier.~~

~~6.3 Voltage Support: The GITS Customer shall have sufficient reactive compensation and control to meet the power factor requirements specified below (such range to be adhered to except for momentary deviations or at SRP written consent) at each point of receipt and delivery. If the GITS Customer does not provide the necessary reactive compensation and control to comply with the objectives described in this Section, SRP shall have the unilateral right to install such equipment to meet these standards at the GITS Customer's expense.~~

~~POWER FACTOR REQUIREMENTS~~

~~1(unity) to 0.985 (leading)~~

~~6.4 Operating Reserve: The GITS Customer shall meet its share of operating reserve requirements by either: (i) providing its operating reserves from its resources; (ii) purchasing operating reserves from SRP; or (iii) arranging to have a third party meet its operating reserve requirement.~~

~~The GITS Customer must obtain firm transmission rights on a path between the resource and the GITS Customer's generation before a third party can supply the GITS Customer's operating reserves. The operation and dispatch of third party resources used for the supply of operating reserves must be coordinated with SRP. The GITS Customer's operating reserve requirements will be determined in the following manner: SRP shall calculate its operating reserve requirement under WECC or Southwest Reserve Sharing Group (SRSG) guidelines, as applicable, for its Network Loads and Network Resources and the Network Loads and Network Resources of all previously committed Tariff customers. The same calculation shall be performed including the~~

~~GITS Customer's Resources. The difference between the calculated amounts shall be the GITS Customer's operating reserve obligation.~~

~~6.5 — Energy Imbalance: The GITS Customer shall operate its system at all times such that energy imbalances are minimized and stay within the acceptable deviation bands. Charges or credits for energy imbalances both within and outside the deviation bands shall be as specified in Schedule 4 to SRP's Tariff.~~

~~6.6 — Generation Redispatch: SRP and the GITS Customer shall implement generation redispatch programs to maintain the reliability and integrity of the electrical system, as provided in Section 35.8 of the Tariff. When generation redispatch is necessary, SRP will notify GITS Customer's dispatchers or schedulers of the required action and the GITS Customer shall comply immediately.~~

~~In the event SRP modifies its generation redispatch shedding practices, the GITS Customer shall, at its expense, make changes to the equipment and setting of such equipment, as required.~~

~~6.7 — In the event the GITS Customer fails to respond to these established generation re-dispatch procedures, the GITS Customer shall be subject to the following charges and requirements:~~

~~6.7.1 — For the first failure to respond during a rolling 12-month period, a one time (1x) assessment of the otherwise applicable rate for Point-to-Point Transmission Service for the billing period during which the failure occurs.~~

~~6.7.2 — For the second failure to respond during a rolling 12-month period, a two times (2x) assessment of the otherwise applicable rate for Point-to-Point Transmission Service for the billing period during which the failure occurs.⁵~~

~~6.7.3 — For the third failure to respond during a rolling 12-month period, a four times (4x) assessment of the otherwise applicable rate for Point-to-Point Transmission Service for the billing period during which the failure occurs. Additionally, the GITS Customer shall install supervisory control load interrupting devices, at its own expense, that will preclude any future failures to respond.⁶~~

~~7. — Emergency System Operations~~

~~7.1 — The GITS Customer, at its expense, shall be subject to all applicable emergency operation standards promulgated by NERC, WECC, and SRP. Such emergency operation standards may include but may not be limited to under frequency relaying equipment and voltage reduction equipment.~~

~~⁵ If more than one failure to respond occurs in the same billing period, the GITS Customer shall be liable for each applicable assessment.~~

~~⁶ All such equipment shall conform to standards and requirements established by SRP.~~

~~7.2 — SRP reserves the right to take whatever action it deems necessary to preserve the integrity of the SRP Transmission System during emergency operating conditions. If the Generation Integration Transmission Service at the point(s) of receipt or point(s) of delivery are causing harmful physical effects to the SRP Transmission System facilities or to its customers (e.g., harmonics, under voltage, over voltage, flicker, voltage variations, etc.), SRP shall promptly notify the GITS Customer and SRP shall have the right to interrupt Generation Integration Transmission Service under the Tariff and Service Agreement in order to alleviate the situation and to suspend all or any portion of Generation Integration Transmission Service under the Tariff and Service Agreement until appropriate corrective action is taken.~~

~~7.3 — In the event of any adverse condition or disturbance on the SRP electric system or on any other system directly or indirectly interconnected with SRP Transmission System, SRP may, as it deems necessary, take appropriate action, that may result in the automatic or manual interruption of Generation Integration Transmission Service in order to: (i) limit the extent or damage of the adverse condition or disturbance; (ii) prevent damage to generating or transmission facilities; (iii) expedite restoration of service; or (iv) preserve public safety.~~

~~8. — Curtailments~~

~~To the extent that a transmission constraint on the SRP Transmission System cannot be relieved through reasonable alternative methods, SRP will curtail schedules across the constrained area. To the extent practical and consistent with Good Utility Practice, curtailments of schedules will be conducted pursuant to the curtailment provisions set forth in Part IV of the SRP Tariff.~~

~~9. — Maintenance of Facilities~~

~~9.1 — Notification: By July 1st of each year, the GITS Customer shall provide to SRP the maintenance schedules and planned outages for the next year. This information shall be updated or verified by the GITS Customer at least thirty (30) days in advance of the date specified for the forecasted maintenance or planned outage.~~

~~9.2 — The GITS Customer shall obtain concurrence from SRP at least four (4) days prior to beginning any scheduled maintenance of its facilities.~~

~~9.3 — The GITS Customer shall comply with SRP's clearance procedure when the GITS Customer requires isolation from SRP's system or point of interconnection.~~

~~9.4 — The GITS Customer shall immediately notify SRP at the time when any unscheduled or forced outages occur and again when such unscheduled or forced outages end.~~

~~9.5 — The GITS Customer shall notify and coordinate with SRP prior to reparallelizing with SRP's Transmission System.~~

~~10. — Dispute Resolution~~

~~— In the event that a dispute arises between the Parties concerning the operation or the interpretation of the Generation Integration Transmission Service Operating Agreement, and the Parties are unable to resolve it within a reasonable amount of time (not to exceed thirty (30) days), the dispute shall be resolved in accordance with the procedures specified in the Tariff.~~

~~11. — Generation Integration Transmission Service Planning Information~~

~~In order for SRP to plan, on an ongoing basis, to meet the GITS Customer's firm requirements for Generation Integration Transmission Service, the GITS Customer shall provide SRP with the following information, which is consistent with SRP information requirements for planning to serve SRP Native Load Customers and is consistent with the SRP ten (10) year planning process.~~

~~11.1 — Annual Planning GITS Transmission Facilities: The GITS Customer shall provide to SRP by September 1st of each year plans of any additions or changes to its internal transmission facilities (lines, transformers, reactive equipment, etc.) for each of the subsequent ten (10) calendar years.~~

~~11.2 — Technical Data Format: The GITS Customer shall provide SRP the best available data associated with GITS Resources and transmission facilities, for modeling purposes in an electronic format specified by SRP. The electronic format specified by SRP shall be a format commonly used in the electric utility industry.~~

~~12. — Technical Data~~

~~12.1 — Annual Operating Conflicts Due to Transmission Constraints: In the event that SRP determines that the annual GITS Resource availability forecast cannot be accommodated due to a transmission constraint on the SRP Transmission System, and such constraint may jeopardize the security of the SRP Transmission System or adversely affect the economic operation of either SRP or the GITS Customer, to the extent possible, SRP and the GITS Customer will coordinate the forecasted GITS Resource availability to mitigate the transmission constraint.~~

~~12.2 — Daily Operations Forecast: The GITS Customer shall provide SRP, at least thirty-six (36) hours in advance of every calendar day, the GITS Customer's best hourly forecast for the calendar day of (i) the maximum flow at each of the SRP points of interconnection with the GITS Customer, (ii) the first contingency maximum flow at each of the SRP points of interconnection with the GITS Customer, (iii) any planned transmission or generation outage(s) on the system of the GITS Customer or on a system other than that of SRP where a GITS Resource is located, (iv) the GITS Customer generation along with the commitment/dispatch of the GITS Resources at peak operating period(s) (the peak operating period(s) will be determined by SRP operating personnel and may be changed from time to time as necessary), (v) operating reserve from each resource and from each third party, (vi) transmission path(s) reserved for operating reserves from third party(ies), and (vii) any other information that SRP operating personnel reasonably deem appropriate to safely and reliably operate the SRP Transmission System. The GITS Customer shall keep SRP informed in a timely manner, of any changes to its current daily operating forecast.~~

~~12.3 — Daily Operating Conflicts Due to Transmission Constraints: In the event that SRP determines that the daily operating forecast cannot be accommodated due to a transmission constraint on the SRP Transmission System and such constraint may jeopardize the security and reliability of the SRP Transmission System or adversely affect the economic operation of either SRP or the GITS Customer, the load curtailment provisions of the Tariff shall be implemented.~~

~~13. — Governing Law~~

~~The validity, interpretation and performance of this Operating 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.~~

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~~IN WITNESS WHEREOF, the Parties have caused this Operating Agreement to be executed as of _____.~~

~~SRP:~~

~~By: _____~~

~~_____ Printed Name _____ Signature~~

~~_____ Title _____ Date~~

~~GITS Customer:~~

~~By: _____~~

~~_____ Printed Name _____ Signature~~

~~_____ Title _____ Date~~

ATTACHMENT O
Generator Interconnection Procedures
and Generator Interconnection Agreement

DRAFT

**Salt River Project Agricultural
Improvement and Power District
Standard Generator Interconnection Procedures (GIP)**

DRAFT

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APPENDIX 1 TO GIP INTERCONNECTION REQUEST FORM FOR A GENERATING FACILITY

INTERCONNECTION REQUEST FORM FOR A GENERATING FACILITY

APPENDIX 2 TO THE GIP NON-DISCLOSURE AGREEMENT

APPENDIX 3.1 TO GIP CLUSTER SYSTEM IMPACT STUDY AGREEMENT

APPENDIX 3.2 TO GIP POINT OF INTERCONNECTION FACILITIES STUDY AGREEMENT

APPENDIX 3.3 TO GIP NETWORK UPGRADE(S) FACILITIES STUDY AGREEMENT

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APPENDIX 3.5 TO GIP TRANSITIONAL FACILITIES STUDY AGREEMENT

APPENDIX 3.6 TO GIP GENERATOR REPLACEMENT STUDY AGREEMENT

APPENDIX 4 TO THE GIP GENERATOR REPLACEMENT COORDINATOR

Section 1 Definitions.

Capitalized terms in 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 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 Transmission Provider or Interconnection Customer.

Breach shall mean the failure of a Party to perform or observe any material term or condition of the GIA.

Breaching Party shall mean a Party that is in Breach of the GIA.

Business Day shall mean Monday through Friday, excluding federal holidays.

Calendar Day shall mean any day including Saturday, Sunday or a federal holiday.

Cluster shall mean a group of one or more Interconnection Requests that are studied together for the purpose of conducting the Cluster 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 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, Shared Network Upgrade(s) or Network 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 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 Upgrade(s) 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 Upgrade(s) do not include Interconnection Facilities.

Effective Date shall mean the date on which the GIA 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 Interconnection Customer is not obligated by the GIA to possess black start capability.

Engineering, Procurement, and Construction Agreement (EPC) 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.

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

FERC shall mean the Federal Energy Regulatory Commission or its successor.

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

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

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 GIA, 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 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 Upgrade(s) 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 set forth in Section 8 of this GIP.

Interconnection Request shall mean an Interconnection Customer's request, in the form of Appendix 1 to this 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, 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 GIA 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 Cluster System Impact Study, the Generator Replacement Interconnection Facilities Study, 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 will 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.

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.

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 GIA 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 other 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 Transmission Provider.

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 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 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 GIA 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.

Point of Change of Ownership shall mean the point, as set forth in Appendix A to the GIA, 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 GIA, where the Interconnection Facilities connect to Transmission Provider's Transmission System.

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 Interconnection Requests, that is established based upon the date and time of an Interconnection Request 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 (0) 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 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.

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.

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.

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 Transmission Provider and Interconnection Customer must agree as to what constitutes Stand Alone Network Upgrade(s) and identify them in Appendix A to the GIA. If Transmission Provider and Interconnection Customer disagree about whether a particular Network Upgrade is a Stand Alone Network Upgrade(s), Transmission Provider must provide Interconnection Customer a written technical explanation outlining why Transmission Provider does not consider the Network Upgrade(s) to be a Stand Alone Network Upgrade(s) within fifteen (15) 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 dollar (\$75,000) payment, plus a one thousand dollar (\$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, less any expended amounts, unless Interconnection Customer withdraws or is withdrawn pursuant to this GIP.

Surplus Interconnection Service shall mean any unneeded portion of Interconnection Service established in a 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.

Transitional Facilities Study shall mean a study to determine a list of facilities (including Transmission Provider's Interconnection Facilities and Network Upgrade(s)), 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 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.

Transitional System Impact Study Agreement shall mean the 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 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 Transmission Owner when Transmission Owner is separate from 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 Transmission Provider from the Point of Change of Ownership to the Point of Interconnection as identified in Appendix A to the GIA, including any modifications, additions or upgrades to such facilities and equipment. Transmission Provider's Interconnection Facilities 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.

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 the GIP.

Section 2 through Section 12 apply to processing an Interconnection Request pertaining to a 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 GIP. 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 Section 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 GIP shall constitute a request for transmission service or confer upon an Interconnection Customer any right to receive transmission service.

Section 3 Interconnection Requests.

3.1 General.

As further specified in SRP's Business Practices posted on OASIS, Interconnection Customer shall submit an Interconnection Request to Transmission Provider in the form of Appendix 1 to this GIP and satisfy M0.

Interconnection Customer shall submit a separate Interconnection Request for each site and may submit multiple Interconnection Requests 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, Interconnection Customer may identify alternative Point(s) of Interconnection and configurations at the Scoping Meeting to evaluate 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 five (5) Calendar Days after the Scoping Meeting. During the Interconnection 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.

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, Network Upgrade(s), 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 completed, 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 Facilities 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 GIA. The necessary control technologies and protection systems shall be established in Appendix C of the GIA.

3.2 Cluster Request Window.

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 twenty (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.

3.3 Valid Interconnection Request.

3.3.1 Initiating an Interconnection Request.

An Interconnection Customer seeking to join a Cluster shall submit its Interconnection Request to Transmission Provider within, and no later than, 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;
- (iii) An executed Point of Interconnection Facilities Study Agreement in the form of Appendix 3.2 to this GIP;
- (iv) MO;
- (v) 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 one hundred percent (100%) Site Control for its Generating Facility by Decision Point II or pay one hundred percent (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 one hundred percent (100%) Site Control for its Generating Facility by Decision Point II or pay one hundred percent (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.

- (vi) 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.
- (vii) 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 Commercial Operation Date for either a new Generating Facility or an increase in the Maximum Capacity of an Existing Generating Facility shall not exceed the Seven Year Queue Limit. 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 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 (10) years only upon agreement between Interconnection Customer and Transmission Provider.

3.3.3 Acknowledgment of Interconnection Request.

Transmission Provider shall acknowledge receipt of the Interconnection Request within five (5) Business Days of receipt of the request.

3.3.4 Deficiencies in Interconnection Request.

An Interconnection Request is not a valid request until all items in Section 3.3.1 have been received and Transmission Provider provides written notice to Interconnection Customer stating that the Interconnection Request is a valid request no later than 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 no later than within five (5) Business Days of the close of the Cluster Request Window ~~receipt of the initial Interconnection Request~~ of the reasons for such failure and that the Interconnection Request does not constitute a valid request. Interconnection Customer shall provide Transmission Provider the additional requested information needed to constitute a valid request within five (5) 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 3.3.4 shall be treated in accordance with Section 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.

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. 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 that 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 Scoping 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 Scoping Meeting personnel and other resources as may be reasonably required to accomplish the purpose of the Scoping Meeting in the time allocated for the meeting. Based on the Scoping 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, one (1) Point of Interconnection that will be studied. For the Point of Interconnection at a substation, the Interconnection Customer shall specify the substation name and voltage level. For the 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 Section 7 and Section 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 (0) but may not be a 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 (0) 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 3.5.1 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) Requested Maximum Capacity 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) Commercial Operation Date; (v) the status of the Interconnection Request, including Queue Position; (vi) the date of the Queue Position as described in Section 5.1; (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. 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 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 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.

3.8.2 Transmission Provider as Affected System.

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 Transmission Provider's Transmission System.

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 GIP, Transmission Provider will deem the Interconnection Request to be withdrawn and will 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 12.5.5 of this GIP.

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 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 will: (i) update the OASIS Queue Position posting; (ii) impose the Withdrawal Penalty described in Section 3.9.1 of this GIP; and (iii) refund to Interconnection Customer any of the refundable portion of Interconnection Customer's Study Deposit and Readiness Milestone payments that exceed the costs that Transmission Provider has incurred and any Withdrawal Penalties applied. In the event of withdrawal, Transmission Provider, subject to the confidentiality provisions of Section 12.1, shall provide, at Interconnection Customer's request, all information that Transmission Provider developed for any completed study conducted up to the date of withdrawal of the Interconnection Request.

3.9.1 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 five hundred thousand dollars (\$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 ten percent (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 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 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 3.10 shall not exceed one hundred percent (100%) of Interconnection Customer's M0 payment. In accordance with Section 5 and Section 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 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.
- (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 Section 3.3.1(v) applicable to the Generation Replacement request; (4) one of the Commercial Readiness demonstration options described in Section 3.3.1(vii); and (5) executed Generator Replacement Study Agreement in the form of Appendix 3.6 to this GIP. Approval of the Generator Replacement request is contingent on the results of the Generator 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 Generation 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 this 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 3.11, 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 Queue Position.

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 all items required pursuant to Section 3.3 of this GIP.

A higher Queue Position assigned to an Interconnection Request is one that has been placed "earlier" in the queue in relation to another Interconnection Request 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 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 this 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.

5.4 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 Modifications.

Interconnection Customer shall submit requested modifications to Transmission Provider, by way of an updated Interconnection Request Form for a 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. Interconnection Customer shall retain its Queue Position if the modifications are in accordance with Section 5.5.1 and are determined not to be Material Modifications pursuant to Section 5.5.2.

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-Study(ies) necessary to do so in accordance with Section 7.4 and Section 8.3 as applicable and Interconnection Customer shall retain its Queue Position.

5.5.1 Permitted Modifications.

Prior to the return of the executed Cluster System Impact Study Agreement by Transmission Provider, modifications permitted under this Section 5.5.1 shall include specifically: (i) a decrease of up to sixty percent (60%) of electrical output (MW) of the proposed project through either: (1) a decrease in plant size or (2) a decrease in Interconnection Service level (consistent with the process described in Section 3.1 of this GIP) accomplished by applying Transmission Provider-approved injection-limiting equipment; (ii) modifying the technical parameters associated with the Generating Facility technology or the Generating Facility step-up transformer impedance characteristics; (iii) a change in Commercial Operation Date; and (iv) 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.

Prior to the Requested In-Service Date, and prior to making any modification other than those specifically permitted by Section 5.5.1, Interconnection Customer may first request 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 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.

Upon receipt of Interconnection Customer's request for modification permitted under this Section 5.5, Transmission Provider shall commence and perform any necessary additional studies as soon as practicable, but no sooner than the completion of the latest Cluster's Cluster System Impact Study. Any cost of additional studies resulting from such modification shall ~~be borne by the Interconnection Customer~~ Cluster be allocated in accordance with Section 12.3 of this GIP. 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 Section 3.3.1(v) and Commercial Readiness Demonstration requirements in Section 3.3.1(vii) as set forth in this GIP.

Section 6 Procedures for Interconnection Requests Submitted Prior to Effective Date of GIP.

6.1 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.

Any Interconnection Customer that submitted an Interconnection Request prior to the 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 thirty (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:
 - ❖ **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.

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:
 - 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).

6.2.2 Scope of Transitional System Impact Study.

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~~allocated in accordance with Section 12.3 of this GIP.

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~~ allocated as provided for in Section 12.3 of this GIP.

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 GIP 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 GIA to Interconnection Customer but

Interconnection Customer has not either executed the GIA or requested to initiate Dispute Resolution, unless otherwise provided, Interconnection Customer must complete negotiations with the successor Transmission Provider.

Section 7 Cluster System Impact Study.

7.1 Scope of Cluster System Impact Study.

The Cluster 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 Cluster System Impact Study will consider the Base Case as well as all 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; (iii) have a pending higher queued Interconnection Request to interconnect to the Transmission System; and (iv) have no Queue Position but have executed a GIA or have requested to initiate Dispute Resolution.

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.

At the conclusion of the Cluster System Impact Study, Transmission Provider will issue a 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, the 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. At the request of any Interconnection Customer within the Cluster, the Cluster System Impact Study 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.

The 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 7.4 of this GIP as applicable.

7.3 Cluster System Impact Study Procedures.

Transmission Provider shall coordinate the Cluster System Impact Study with any Affected System that is affected by the Interconnection Request pursuant to Section 3.8 of this GIP. Transmission Provider will utilize existing studies to the extent practicable when it performs the study. Interconnection Requests for a Cluster System Impact Study may be submitted only within the Cluster Request Window and Transmission Provider will initiate the Cluster System Impact Study process pursuant to this Section 7.3.

Unless Re-Study(ies) are required pursuant to Section 7.4 of this GIP, Transmission Provider will use Reasonable Efforts to tender the Cluster System Impact Study 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 Cluster System Impact Study, Transmission Provider will notify Interconnection Customer as to the schedule status of the Cluster System Impact Study. If Transmission Provider is unable to complete the Cluster System Impact Study within the time period, it will 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 Cluster System Impact Study, subject to confidentiality arrangements consistent with Section 12.1 of this GIP.

7.4 Meeting with Transmission Provider.

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~~may 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(ies):

- (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.
- (ii) If one (1) or more Interconnection Customers withdraws 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 Cluster System Impact Study is required due to: (1) one (1) 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; (3) the Base Case used for the Transitional System Impact Study changes; (4) a modification of a higher queued project subject to Section 5 of this GIP; or (5) a change to the Transmission Provider equipment design standards or reliability criteria, Transmission Provider will electronically notify Interconnection Customer(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(s) in the Cluster have satisfied M~~2~~1 payment.
- (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 7.4 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.

In the event that the Study Deposit is insufficient to cover the costs of Re-Study(ies), in accordance with Section 12.3 of this GIP, Transmission Provider shall invoice Interconnection Customer(s) for the estimated balance to complete the Re-Study(ies). Interconnection Customer(s) shall submit payment no later than fifteen (15) Calendar Days after it receives the invoice from Transmission Provider.

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 will be specific to each Interconnection Request and performed on an individual (i.e. non-clustered) basis. The Point of Interconnection Facilities Study will identify the estimated cost to interconnect the Generating Facility at the Point of Interconnection.

8.1.2 Point of Interconnection Facilities Study Agreement.

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

8.1.3 Point of Interconnection Facilities Study Process.

Transmission Provider will utilize existing studies to the extent practicable in performing the Point of Interconnection Facilities Study. Transmission Provider will

use Reasonable Efforts to complete the study and issue a draft Point of Interconnection Facilities Study report to Interconnection Customer 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 will 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 and issue a draft Point of Interconnection Facilities Study report within the time required, it will 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 fifteen (15) Calendar Days of receipt of the report. Transmission Provider shall issue the final Point of Interconnection Facilities Study report within fifteen (15) Calendar 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 (15)-day period, the report is deemed to be final. Transmission Provider may reasonably extend such fifteen (15) 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 12.1 of this GIP.

8.1.4 Meeting with Transmission Provider.

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

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.

In the event that the Study Deposit is insufficient to cover the costs of Re-Study(ies), in accordance with Section 12.3 of this GIP, Transmission Provider shall invoice Interconnection Customer(s) for the estimated balance to complete the Re-Study(ies). Interconnection Customer(s) shall submit payment no later than fifteen (15) Calendar Days after it receives the invoice from Transmission Provider.

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~~Transmission Provider 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~~Interconnection Customer~~ within five (5) Calendar Days after Interconnection Customer ~~makes~~satisfies 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 (15)-day period, the report is deemed to be final. Transmission Provider may reasonably extend such fifteen (15)-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 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~~may meet to discuss the results of the Network Upgrade(s) Facilities Study. 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 Network Upgrade(s) Facilities Study report meeting, Transmission Provider shall provide the completed Network Upgrade(s) Facilities Study report, and Interconnection Customer shall satisfy M2 and all obligations associated with Decision Point II according to Section 3.

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

If Re-Study of the Network Upgrade(s) Facilities Study is required due to: (1) a higher queued project dropping out of the queue or Base Case used for the Cluster System Impact Study; (2) a modification of a higher queued project pursuant to Section 5 of this GIP; or (3) a change to the Transmission Provider or Transmission Owner equipment design standards or reliability criteria, Transmission Provider will electronically notify Interconnection Customer. Transmission Provider will use Reasonable Efforts to complete the Re-Study and issue a draft Network Upgrade(s) Facilities Re-Study report to Interconnection Customer within sixty (60) Calendar Days after finalizing the Cluster System Impact Study report. If Transmission Provider is unable to complete the Re-Study within that time period, it will electronically 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~~allocated according to Section 12.3 of this GIP.

In the event that the Study Deposit is insufficient to cover the costs of Re-Study(ies), in accordance with Section 12.3 of this GIP, Transmission Provider shall invoice Interconnection Customer(s) for the estimated balance to complete the Re-Study(ies). Interconnection Customer(s) shall submit payment no later than fifteen (15) Calendar Days after it receives the invoice from Transmission Provider.

Section 9 Engineering, Procurement & Construction 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 Standard Generator Interconnection Agreement.

10.1 Tender.

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

10.2 Negotiation.

Notwithstanding Section 10.1, at the request of Interconnection Customer, Transmission Provider shall begin negotiations with Interconnection Customer concerning the appendices to the GIA at any time after execution of the Network Upgrade(s) Facilities Study Agreement. Transmission Provider and Interconnection Customer shall negotiate concerning any disputed provisions of the appendices to the draft GIA for not more than forty (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 GIA and request to initiate Dispute Resolution. If Interconnection Customer requests termination 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 GIA or initiated Dispute Resolution within sixty (60) Calendar Days after tender of draft GIA, it shall be deemed to have withdrawn its

Interconnection Request, subject to a Withdrawal Penalty pursuant to Section 3.9.1 of this GIP. Transmission Provider shall provide to Interconnection Customer a final GIA within seventy-five (75) Calendar Days after the completion of the Network Upgrade(s) Facilities Study report or ten (10) Calendar Days after the Re-Study report(s), if any.

10.3 Execution.

Within thirty (30) Calendar Days after receipt of the GIA, the Interconnection Customer shall execute the final GIA and return it to Transmission Provider along with: (i) evidence of continued Site Control; (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 GIA, the Transmission Provider and the Interconnection Customer shall perform their respective obligations in accordance with the terms of the GIA.

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 planned 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 construction of Transmission Provider's Interconnection Facilities, Shared Network Upgrade(s) and Network Upgrade(s).

11.2.2 Advancing 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 a 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 a 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.

Section 12 Miscellaneous.

12.1 Confidentiality.

Confidential Information shall include, without limitation, all information relating to a Party's technology, research and development, business affairs, and pricing, and any information supplied by either of the Parties to the other in the course of activities under this GIP.

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 Section 12.1 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.

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

12.1.2 Release of Confidential Information.

Neither Party shall release or disclose Confidential Information to any other person, except to its 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 12.1 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 this 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 12.1.6 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, 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 12.1. Each Party accordingly agrees that the other Party shall be entitled to equitable relief, by way of injunction or otherwise, if the first Party Breaches or threatens to Breach its obligations under this Section 12.1, which equitable relief shall be granted without bond or proof of damages, and the receiving Party shall not plead in defense that there would be an adequate remedy at law. Such remedy shall not be deemed an exclusive remedy for the Breach of this Section 12.1, but shall be in addition to all other remedies available at law or in equity. The Parties further acknowledge and agree that the covenants contained herein are necessary for the protection of legitimate business interests and are reasonable in scope. No Party, however, shall be liable for indirect, incidental, or consequential or punitive damages of any nature or kind resulting from or arising in connection with this Section 12.1.

12.1.8 Disclosure of Confidential Information.

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 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.

12.1.9 Exemptions.

This provision shall not apply to any information that was or is hereafter in the public domain (except as a result of a Breach of this provision).

12.1.10 Destruction, Return and Retention of Confidential Information.

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 GIP. Transmission Provider shall remain primarily liable to Interconnection Customer for the performance of such subcontractors and compliance with its obligations of this GIP. 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.

12.3.1 Study Costs Generally.

The costs of Cluster studies and Cluster rRe-Sstudies 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.

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 Cluster prior to beginning any of such future Interconnection Studies. Upon Interconnection Customer's request, invoices for Interconnection Studies may include an 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. 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 this 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 later than fifteen (15) Calendar Days after it receives the invoice from Transmission Provider.

12.3.2 Study Costs Associated with Withdrawn Interconnection Requests.

In the event an Interconnection Customer withdraws its Interconnection Request prior to the commencement of the Cluster ~~Study~~ study ~~Process~~ process, Interconnection Customer must pay Transmission Provider the actual costs of processing its Interconnection Request and. Interconnection Customer will not be assessed a Withdrawal Penalty in this case. In the event an Interconnection Customer withdraws its Interconnection Request after the commencement of the Cluster study process, Transmission Provider shall charge and Interconnection Customer shall pay the actual costs of the Interconnection Studies begun prior to Interconnection Customer's withdrawal. ~~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.~~

~~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 Cluster prior to beginning any of such future Interconnection Studies. Upon Interconnection Customer's request, invoices for Interconnection Studies may include an 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. 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 this 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 later than fifteen (15) Calendar Days after it receives the invoice from Transmission Provider.~~

12.3.3 Requested Modification Study Costs.

In the event an Interconnection Customer requests to modify its Interconnection Request, Interconnection Customer must pay Transmission Provider the actual costs of processing its requested modification. Transmission Provider shall charge and Interconnection Customer shall pay the actual costs of the Interconnection Studies in accordance with Section 12.3.1.

12.4 Third Parties Conducting Studies.

If (i) Transmission Provider gives notice that Transmission Provider will not complete an Interconnection Study within the applicable timeframe for such Interconnection Study; or (ii) Interconnection Customer does not receive the Interconnection Study 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 the 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 Section 12.4(ii) above, 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 GIP, the 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 GIP, the GIA, or their performance, such Party (the disputing Party) shall provide the other Party with 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 GIP.

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.

If a Party has submitted a Notice of Dispute pursuant to Section 12.5.1, and the Parties are unable to resolve the claim or dispute through unassisted or assisted negotiations within the thirty (30) Calendar Days provided in that section, and the Parties cannot reach mutual agreement to pursue the Section 12.5 arbitration process, a Party may request that Transmission Provider engage in Non-binding Dispute Resolution pursuant to this Section 12.5.5 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 12.5.5 without first seeking mutual agreement to pursue the Section 12.5 arbitration process. The process in this Section 12.5.5 shall serve as an alternative to, and not a replacement of, the Section 12.5 arbitration process. Pursuant to this process, a Transmission Provider must within thirty (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 GIP and GIA and shall have no power to modify or change any provision of the GIP and GIA in any manner. The result reached in this process is not binding, but, unless otherwise agreed, the Parties may cite the record and decision in the non-binding Dispute Resolution process in future dispute resolution processes, including in a Section 12.5 arbitration. 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 GIP and the GIA, Transmission Provider shall not be required to provide Interconnection Service to Interconnection Customer pursuant to this GIP and the GIA 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 GIP and the GIA, Transmission Provider shall not be required to provide Interconnection Service to Interconnection Customer pursuant to this GIP and the 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 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.

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**APPENDIX 1 TO GIP
INTERCONNECTION REQUEST FORM FOR A
GENERATING FACILITY**

INTERCONNECTION REQUEST FORM FOR A GENERATING FACILITY

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
- ☐ 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(iv)) 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
 - ☐ General Electric Company Power Systems Load Flow (PSLF) model data (.epc)
 - ☐ Dynamic model for each operating mode (.dxd)
 - ☐ Generator Short Circuit Data (ASPEN Short Circuit model data (.OLR))

☐ ~~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 via a cash payment:

- ☐ 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:

- ☐ If applicable, a Security Deposit in the amount of one hundred thousand dollars (\$100,000)
- ☐ If applicable, a Deposit in Lieu of Site Control 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

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

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

- ☐ A proposed new Generating Facility.
- ☐ A change in the Generating Facility Capacity 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, equipment configuration, transformer connections, and line impedances.

- V. **Aggregate Generating Facility Capacity:**
- A. Generating Facility Gross max nameplate capacity _____ (MW)
- B. Generating Facility auxiliary load _____ (MW)
- C. Generating Facility Capacity (net capacity) _____ (MW)
- D. Generating Facility station service load (if any) _____ (MW)
- E. Requested Maximum Capacity
(total MW max injection at POI) ^{Note 1} _____ (MW)
- a. Requested Maximum Capacity – summer _____ (MW)
- b. Requested Maximum Capacity – winter _____ (MW)

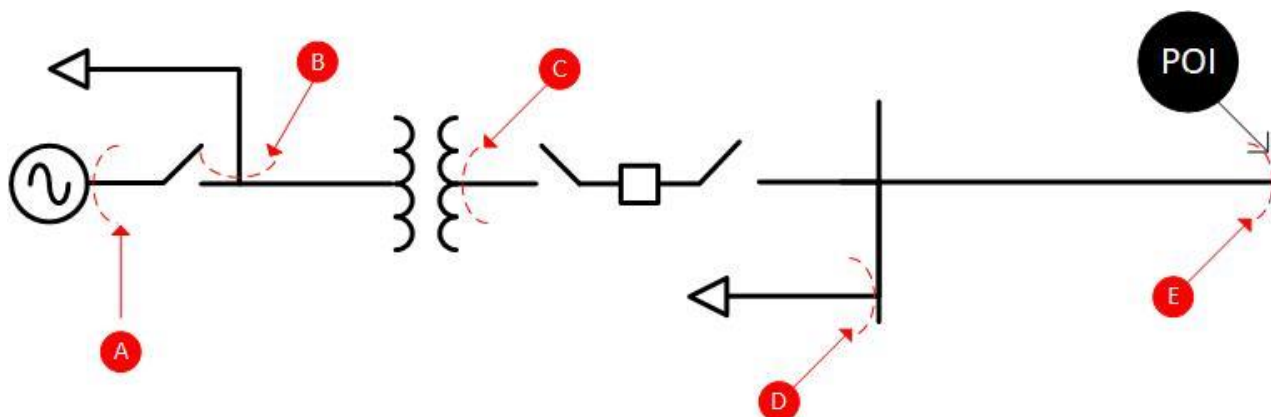


Figure 1 – Generalized Diagram of MW data needed

Note 1: The Requested Maximum Capacity (E) will be the MW value entered in the queue.

- 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

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

Example Types: Wind, Photovoltaic, Battery Storage etc.

- c. Other

a. Complete Attachment A or B to Appendix 1, as applicable

b. Other (please describe):

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). If more than one phase, indicate the phase number and date for each item listed below:**

- a. Requested In-Service Date: _____
- b. Requested Initial Synchronization Date: _____
- c. 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: _____

3. This Interconnection Request is submitted by:

- I. Company Name/DBA Name: _____
- II. Name: _____
- 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 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 the applicable 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.

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**ATTACHMENT A TO APPENDIX 1
INTERCONNECTION REQUEST**

Rotating Synchronous Generating Facility Data

This Attachment A to Appendix 1 must be completed for each of the Rotating Synchronous Generator types.

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

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, Pumped-Storage 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), WR^2 (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

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. Excitation system response ratio (ASA): _____

III. Full load rated exciter output voltage: _____

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

V. Other comments regarding the excitation system:

4. Power System Stabilizer Information

Attach the block diagram of the power system stabilizer (PSS) from the PSS Instruction Manual and the correspondence between dial settings and the time constants or PSS gain.

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. Other comments regarding the PSS?

5. Turbine-Governor Information

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: _____ ft

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: _____ ft/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.

- a. Turbine manufacturer: _____
- b. Maximum turbine power output: _____ MW
- c. Minimum turbine power output (while on line): _____ MW
- d. Governor information:
 - i. Droop setting (speed regulation): _____
 - ii. Is the governor mechanical-hydraulic or electro-hydraulic (Electro-hydraulic governors have an electronic speed sensor and transducer.)? _____
 - iii. Other comments regarding the turbine governor system?

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. $X2$ – negative sequence reactance: _____ p.u.**
 - c. $X0$ – zero sequence reactance: _____
- 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

7. **Step-Up Transformer Data**

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. Summer line ratings in amperes (normal and emergency): _____
- XI. Positive Sequence Resistance (R): _____ p.u.** (for entire line length)
- XII. Positive Sequence Reactance (X): _____ p.u.** (for entire line length)
- XIII. Zero Sequence Resistance (R0): _____ p.u.** (for entire line length)
- XIV. Zero Sequence Reactance: (X0): _____ p.u.** (for entire line length)
- XV. Line Charging (B/2): _____ p.u.**

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

9. Load Flow and Dynamic Models

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.

Provide a short circuit model of the project in ASPEN format (*.OLR file) for inclusion in the short circuit modeling of the transmission system.

For each generator, governor, exciter and power system stabilizer, select the appropriate dynamic model from the General Electric PSLF Program Manual available in WECC's Approved Dynamic Model Library, and provide the required input data.

Provide dynamic model for each operating mode a generator can be operated, such as condensing or pumping mode.

Please note, a completed *.dyd file and *.OLR file that contain the information specified in this section needs to be provided at the time of submission of this Interconnection Request Form.

SRP cannot assist in the creation or modification of .dyd .epc or .OLR 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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**ATTACHMENT B TO APPENDIX 1
INTERCONNECTION REQUEST**

Inverter-Based Resource Data

This Attachment B to Appendix 1 must be completed for each of the Inverter-Based type.

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

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

I. **Attach** information for other types and variations within each type.

II. **Attach** a copy of the inverter reactive capability curves.

III. 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. Gross Max 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

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. Summer line ratings in amperes (normal and emergency): _____
- XI. Positive Sequence Resistance (R): _____ p.u.** (for entire line length)
- XII. Positive Sequence Reactance: (X): _____ p.u.** (for entire line length)
- XIII. Zero Sequence Resistance (R_0): _____ p.u.** (for entire line length)
- XIV. Zero Sequence Reactance: (X_0): _____ p.u.** (for entire line length)
- XV. 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 (R_1): _____ p.u.** (for entire line length of each collector circuit)
- IV. Positive Sequence Reactance: (X_1): _____ 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 Resource(s)

- 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 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

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 new generating facilities, select the appropriate generator and control models identified in WECC's Approve Dynamic Model Library and provide the required input data. For additional guidance on providing adequate modeling, see the WECC's Data Preparation Manual.

Provide a short circuit model of the project in ASPEN format (*.OLR) for inclusion in the short circuit modeling of the transmission system.

Please note, completed *.dyd and *OLR files that contain the information specified in this section need to be provided at the time of submission of this Interconnection Request Form.

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

DRAFT

**ATTACHMENT C TO APPENDIX 1
INTERCONNECTION REQUEST**

TABLE 1

TRANSFORMER DATA
(Provide for each level of transformation)

UNIT _____

NUMBER OF TRANSFORMERS _____

PHASE _____

RATING	H Winding	X Winding	Y Winding
Rate MVA			
Connection (Delta, Wye, Gnd.)			
Cooling Type (OA, OA/FA, etc.)			
Temperature Rise Rating			
Rated Voltage			
BIL			
Available Taps (% of rating)			
Load Tap Changer? (Y or N)			
Tap Settings			
IMPEDANCE	H-X	H-Y	X-Y
Percent			
MVA Base			
Tested Taps			
WINDING RESISTANCE	H	X	Y
Ohms			

CURRENT TRANSFORMER RATIOS

H _____ X _____ Y _____ N _____

Percent exciting current at 100% Voltage _____ 110% Voltage _____

Provide a copy of nameplate and manufacture's test report within ninety (90) days of In-Service Date

**ATTACHMENT D TO APPENDIX 1
INTERCONNECTION REQUEST**

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 _____ [project name] and am authorized 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/CIF 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: _____

APPENDIX 2 TO THE GIP NON-DISCLOSURE AGREEMENT

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 handling of such information. 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 **B**reach or threatened **B**reach of the terms of this Agreement, the Owner shall be entitled to an injunction prohibiting any such **B**reach. 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 **B**reach 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: _____

By: _____

Its: _____

Date: _____

EXHIBIT A

SRP's Representatives

Name: _____

Date: _____

Name: _____

Date: _____

Name: _____

Date: _____

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EXHIBIT B

Representatives

Name: _____

Date: _____

Name: _____

Date: _____

Name: _____

Date: _____

Name: _____

Date: _____

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**APPENDIX 3.1 TO GIP
CLUSTER SYSTEM IMPACT STUDY AGREEMENT**

**CLUSTER SYSTEM IMPACT STUDY AGREEMENT
for the Cluster YY QYY## Project**

THIS AGREEMENT is made and entered into this _____, by and between _____ a(n) _____ organized and existing under the laws of the State/Commonwealth of _____ (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 and assigned a Queue Position date of _____; 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 Cluster System Impact Study to assess the impact of interconnecting the 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 GIP.
- 2.0. Interconnection Customer elects and Transmission Provider shall cause to be performed a Cluster System Impact Study consistent with Section 6 of the GIP.
- 3.0. The scope of the Cluster System Impact Study shall be subject to the assumptions set forth in Attachment A to this Agreement.
- 4.0. The 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 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 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 Cluster System Impact Study may be extended.

- 5.0. The 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 the Network Upgrade(s) and Shared Network Upgrade(s) 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 Cluster System Impact Study.
- 7.0. Miscellaneous.
- 7.1 Binding Effect. This Agreement and the rights and obligations hereof, shall be binding upon and shall inure to the benefit of the successors and permitted assigns of the Parties hereto.
- 7.2 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.
- 7.3 Representations, Warranties, and Covenants. Each Party makes the following representations, warranties and covenants:
- 7.3.1 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.
- 7.3.2 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).

- 7.3.3 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.
- 7.3.4 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.
- 7.4 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.
- 7.5 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".
- 7.6 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.
- 7.7 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.

- 7.8 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.
- 7.9 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.
- 7.10 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.
- 7.11 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.
- 7.12 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.
- 7.13 Amendment. The Parties may by mutual agreement amend this Agreement by a written instrument duly executed by the Parties.
- 7.14 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.

7.15 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.

7.15.1 Indemnified Party. If an Indemnified Party is entitled to indemnification under this Section 7.15 as a result of a claim by a third party, and the Indemnifying Party fails, after notice and reasonable opportunity to proceed under Section 7.15 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.

7.15.2 Indemnifying Party. If an Indemnifying Party is obligated to indemnify and hold any Indemnified Person harmless under this Section 7.15, 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.

7.15.3 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 7.15.1 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.

- 8.0. 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.

**Salt River Project Agricultural
Improvement and Power District**

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

**ATTACHMENT A TO APPENDIX 3.1
CLUSTER SYSTEM IMPACT STUDY AGREEMENT**

ASSUMPTIONS USED IN CONDUCTING THE CLUSTER SYSTEM IMPACT STUDY

The 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.

Transmission Provider's good faith estimate for the time of completion of the Cluster System Impact Study is_____.

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 at the Scoping Meeting with Transmission Provider]

**APPENDIX 3.2 TO GIP
POINT OF INTERCONNECTION FACILITIES STUDY AGREEMENT**

**POINT OF INTERCONNECTION FACILITIES STUDY AGREEMENT
for the Cluster YY QYY## Project**

THIS AGREEMENT is made and entered into this _____, by and between _____ a(n) _____ organized and existing under the laws of the State/Commonwealth of _____ (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 and assigned a Queue Position date of _____; 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, 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 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.

**Salt River Project Agricultural
Improvement and Power District**

By: _____

Title: _____

Date: _____

By: _____

Title: _____

Date: _____

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**ATTACHMENT A TO APPENDIX 3.2
POINT OF INTERCONNECTION FACILITIES STUDY AGREEMENT**

**ASSUMPTIONS AND SCHEDULE USED IN CONDUCTING THE POINT OF
INTERCONNECTION FACILITIES STUDY**

The Point of Interconnection Facilities Study Agreement will be based on the following assumptions:

Designation of Point of Interconnection and configuration to be studied:

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

Transmission Provider's good faith estimate for the time of completion of the Point of Interconnection Facilities Study is _____.

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.

~~Transmission Provider shall use Reasonable Efforts to complete the study and issue a draft Point of Interconnection Facilities Study report to Interconnection Customer within one-hundred-five (105) eighty (80) Calendar Days after finalizing the Cluster System Impact Study report.~~

[Above assumptions to be completed at the Scoping Meeting with Transmission Provider]

**ATTACHMENT B TO APPENDIX 3.2
POINT OF INTERCONNECTION FACILITIES STUDY AGREEMENT**

**DATA FORM TO BE PROVIDED BY INTERCONNECTION CUSTOMER
WITH THE POINT OF 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 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:~~ _____

~~Commercial Operation Date:~~ _____ ~~Date:~~ _____

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**APPENDIX 3.3 TO GIP
NETWORK UPGRADE(S) FACILITIES STUDY AGREEMENT**

**NETWORK UPGRADES FACILITIES STUDY AGREEMENT
for the Cluster YY QYY## Project**

THIS AGREEMENT is made and entered into this _____, by and between _____ a(n) _____ organized and existing under the laws of the State/Commonwealth of _____ (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 and assigned a Queue Position date of _____; and

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

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

WHEREAS, Interconnection Customer has requested Transmission Provider to perform a Network Upgrade(s) Facilities Study to specify and estimate the cost of the equipment, engineering, procurement and construction work needed to implement the conclusions of the Cluster 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 Network Upgrade(s) Facilities Study consistent with Section 8 of the GIP to be performed in accordance with the Tariff.
- 3.0. The scope of the 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 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 Generating Facility to the Transmission System; and (ii) shall address the short circuit, instability, and power flow issues identified in the Cluster System Impact Study.

- 5.0. Interconnection Customer shall be responsible for all costs incurred by Transmission Provider associated with the 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 GIP.

The time for completion of the 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 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. 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 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.

**Salt River Project Agricultural
Improvement and Power District**

By: _____

Title: _____

Date: _____

By: _____

Title: _____

Date: _____

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**ATTACHMENT A TO APPENDIX 3.3
NETWORK UPGRADE(S) FACILITIES STUDY AGREEMENT**

**INTERCONNECTION CUSTOMER ASSUMPTIONS AND SCHEDULE FOR CONDUCTING
THE NETWORK UPGRADES FACILITIES STUDY**

The Network Upgrade(s) Facilities Study Agreement will be based on the following assumptions:

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.

[Above assumptions to be completed at the Scoping Meeting with Transmission Provider]

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APPENDIX 3.4 TO GIP TRANSITIONAL SYSTEM IMPACT STUDY AGREEMENT

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 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 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;

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 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.

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

**[Insert name of Interconnection
Customer]**

By: _____

By: _____

Title: _____

Title: _____

Date: _____

Date: _____

**ATTACHMENT A TO APPENDIX 3.4
TRANSITIONAL SYSTEM IMPACT STUDY AGREEMENT**

**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.

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APPENDIX 3.5 TO GIP TRANSITIONAL FACILITIES STUDY AGREEMENT

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 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 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;

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. 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 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] | [Insert name of Interconnection Customer]
Transmission Owner, if applicable]

By: _____

Title: _____

Date: _____

By: _____

Title: _____

Date: _____

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**ATTACHMENT A TO APPENDIX 3.5
TRANSITIONAL INTERCONNECTION FACILITIES
STUDY AGREEMENT**

**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 of receipt of an executed copy of this Transitional Interconnection Facilities Study Agreement.

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**ATTACHMENT B TO APPENDIX 3.5
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 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: _____

Commercial Operation Date: Date: _____

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**APPENDIX 3.6 TO GIP
GENERATOR REPLACEMENT STUDY AGREEMENT**

**GENERATOR REPLACEMENT STUDY AGREEMENT
for the Cluster YY QYY## Project**

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 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. 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 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 Generator Replacement
Coordinator]**

[Insert name of Interconnection Customer]

By: _____

By: _____

Title: _____

Title: _____

Date: _____

Date: _____

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APPENDIX 4 TO THE GIP GENERATOR REPLACEMENT COORDINATOR

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 3.11.

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 3.11. 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.
4. Maintaining a queue for Generation Replacement requests.
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 3.11 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 3.11:

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 12.5 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.

**SALT RIVER PROJECT AGRICULTURAL
IMPROVEMENT AND POWER DISTRICT
STANDARD GENERATOR INTERCONNECTION AGREEMENT (GIA)**

DRAFT

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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(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, Transmission Provider operates the Transmission System;

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; and

WHEREAS, Interconnection Customer and Transmission Provider have agreed to enter into this Agreement for the purpose of interconnecting the 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 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.

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 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 Transmission Provider 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 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.

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 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.

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~~ Transmission Provider 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 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 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 Upgrade(s) 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 this 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 Interconnection Customer is not obligated by this 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.

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

FERC shall mean the Federal Energy Regulatory Commission or its successor.

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

Generating Facility shall mean Interconnection Customer's device for the production and/or storage for later injection of electricity identified in the Interconnection Request, but shall

not include the Interconnection Customer's Interconnection Facilities. 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, 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.

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 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 Transmission Provider's Transmission System. Interconnection Customer's Interconnection Facilities are sole use facilities.

Interconnection Facilities shall mean Transmission Provider's Interconnection Facilities and Interconnection Customer's Interconnection Facilities.

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 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 this 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 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 as 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 Customers and the Transmission Provider to coordinate operating and technical considerations of Interconnection Service.

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 other 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 Transmission Provider.

Mitigation Facility Fee shall mean the fee to be paid by the Interconnection Customer as determined by the ~~Operating Agent~~ Transmission Provider 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 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.

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 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(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 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 this 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 this 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~~ Transmission Provider 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~~ Transmission System. 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 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.

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.

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.

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.

SRP 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 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 Interconnection Customer a written technical explanation outlining why the Transmission Provider does not consider the Network Upgrade to be a Stand Alone Network Upgrade within fifteen (15) Business Days of its determination.

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 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 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 this 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 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 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 Agreement in accordance with Article 19.

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.

2.4. Termination Costs.

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 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 Upgrade(s) 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 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.

Interconnection Customer shall file this 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 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 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 Agreement are set forth in Article 11.6 and Article 15.4.1 herein. Interconnection Customer shall be paid for such services in accordance with Article 13.5 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 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 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 and Stand Alone Network Upgrade(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 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 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 Upgrade(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 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 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, 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 Upgrade(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 Upgrade(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 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 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 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 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 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 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 Upgrade(s) under the terms and procedures applicable to Article 20 of this Agreement;
8. Interconnection Customer shall transfer control of Transmission Provider's Interconnection Facilities and Stand Alone Network 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 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 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 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. 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 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. 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 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 Transmission Provider’s system operator, or its designated representative.

5.5. Equipment Procurement.

If responsibility for construction of Transmission Provider’s Interconnection Facilities or Network Upgrade(s) is to be borne by Transmission Provider, then Transmission Provider shall commence design of Transmission Provider’s 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. Transmission Provider has completed all required studies pursuant to the GIP;
- 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 13.5 by the dates specified in Appendix B to this Agreement or in the EPC Agreement.

5.6. Construction Commencement.

Transmission Provider shall commence construction of Transmission Provider’s 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 Transmission Provider's Interconnection Facilities and Network Upgrade(s);
- 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 13.5 by the dates specified in the Appendix B to this Agreement.

5.7. Interconnection Customer's Interconnection Facilities.

Interconnection Customer shall, at its expense, design, procure, construct, own and install the Interconnection Customer's Interconnection Facilities, as set forth in Appendix A to this Agreement.

5.7.1. Interconnection Customer's Interconnection Facility Specifications.

Interconnection Customer shall submit initial specifications for the Interconnection Customer's Interconnection Facilities, 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 Interconnection Customer's Interconnection Facilities 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 Generating Facility, or the Interconnection Customer's Interconnection Facilities. Interconnection Customer shall make such changes to the Interconnection Customer's Interconnection Facilities as may reasonably be required by Transmission Provider, in accordance with Good Utility Practice, to ensure that the Interconnection Customer's Interconnection Facilities are compatible with the technical specifications, operational control, and safety requirements of Transmission Provider.

5.7.3. Interconnection Customer's Interconnection Facilities Construction.

The 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 Transmission

Provider “as-built” drawings, information and documents for the Interconnection Customer’s Interconnection Facilities, such as: a one-line diagram, a site plan showing the Generating Facility and the Interconnection Customer’s Interconnection Facilities, plan and elevation drawings showing the layout of the 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 the 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 Transmission Provider with specifications for the excitation system, automatic voltage regulator, 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. 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. 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 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 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 Agreement. Transmission Provider 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 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 Provider or Transmission Owner, Transmission Provider or Transmission Owner shall, at Interconnection Customer's expense, use efforts, similar in nature and extent to those that it typically undertakes on its own behalf or on behalf of its Affiliates, ~~to the extent consistent with state law, 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. Provided that the installation of the Interconnection Facilities and/or Network Upgrade(s) meet state law requirements for a public use, such efforts shall include the use of Transmission Provider's eminent domain authority. Prior to commencing any efforts to procure the necessary rights of use, licenses, rights of way and easements, Transmission Provider may require Interconnection Customer to enter into a separate agreement agreeing to reimburse Transmission Provider and/or pre-pay all expenses related to such procurement.

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 (Access Rights) with respect to lands owned or controlled by the Granting Party, 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 Transmission System; (ii) operate and maintain the 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 Agreement. In exercising ~~such licenses, rights of way and easements~~ Access Rights, 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 Transmission Owner 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 execute and deliver to the Granting Party in recordable form an instrument evidencing such termination, provided the instrument granting such Access Right is recorded in the Official Records of the county where the property is located. All agreements or other instruments granting such Access Rights shall include a provision providing for such automatic termination and the recordation of a notice of termination, if applicable.

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.

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.

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 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 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 Agreement pursuant to this Article 5.16, and has not requested Transmission Provider to recommence the work required under this Agreement on or before the expiration of three (3) years following commencement of such suspension, this Agreement shall be deemed terminated. The three-year period shall begin on the date the suspension is requested, or the date of the written notice to 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 3.3.2 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 Transmission Provider for the installation of Transmission Provider's Interconnection Facilities and the Network Upgrade(s) 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 Section 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 made by Interconnection Customer under this 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 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 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 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, 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 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 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 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 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;
- (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 Section 8.4 shall be deemed to be Confidential Information and treated pursuant to Article 24 of this 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 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 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 Agreement, except as provided in Article 9.4 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 two percent (2%) from the measurement made by the standard meter used in the test outside the ANSI C12 Standards for acceptable accuracy~~, 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 Generating Facility to the Point of Interconnection.

Article 10. Communications.

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 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 to this Agreement. The data circuit(s) shall extend from the 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 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 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 Transmission Provider 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. 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 Agreement. Transmission Provider may provide operating instructions to Interconnection Customer consistent with this 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 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, and such requirements as 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, 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 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 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~~ at least 0.95 leading to 0.95 lagging, unless Transmission Provider has established different requirements that apply to all synchronous generators in the Balancing Authority Area on a comparable basis.

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 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 Generating Facility with the Transmission System, Transmission Provider 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 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 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 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. Voltage Regulators. Whenever the Generating Facility is operated in parallel with the Transmission System 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 Transmission Provider'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 Transmission System 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.

Transmission Provider is required to pay Interconnection Customer for reactive power that Interconnection Customer provides or absorbs from the Generating Facility when Transmission Provider requests Interconnection Customer to operate its Generating Facility outside the 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, 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 imitations 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 OASIS. Interconnection Customer shall submit its planned maintenance schedules for the Generating Facility to Transmission Provider for a minimum of a rolling twenty-four month period. Interconnection Customer shall update its planned maintenance schedules as necessary. Transmission Provider may request Interconnection Customer to reschedule its maintenance as necessary to maintain the reliability of the Transmission System. 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 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, 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 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 Generating Facility as required by the Applicable Reliability Standards to ensure "ride through" capability of the Transmission System. 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. 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. 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 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 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 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 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 Transmission System 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 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 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 Transmission Provider's Interconnection Facilities based upon the pro rata use of such 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 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 Agreement.

12.2. Interconnection Customer Obligations.

Interconnection Customer shall maintain the Generating Facility and Interconnection Customer's Interconnection Facilities 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.

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 Capital 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~~Transmission Provider.

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 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 to this Agreement, at the sole expense of the Interconnection Customer.

13.3. Network Upgrade(s) and Distribution Upgrade(s).

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.

13.5.1. The guarantee must be made by an entity that meets the creditworthiness requirements of Transmission Provider, and contain terms and conditions that

guarantee payment of any amount that may be due from Interconnection Customer, up to an agreed-to maximum amount.

13.5.2. The letter of credit must be issued by a financial institution reasonably acceptable to Transmission Provider and must specify a reasonable expiration date.

13.5.3. The surety bond must be issued by an insurer reasonably acceptable to Transmission Provider.

13.6. Interconnection Customer Compensation.

If Transmission Provider requests or directs Interconnection Customer to provide a service pursuant to Articles 11.6.3 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 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. 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 Inverted-Based Resources to submit all modeling data as required in SRP's Business Practices.

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 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 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 Agreement.

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 Agreement 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.

Article 15. Emergencies.

15.1. Obligations.

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.

15.2. 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 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 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.

15.3. 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 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.

15.4. Transmission Provider Authority.

15.4.1. 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 Generating Facility or Interconnection Customer's Interconnection Facilities. Transmission Provider 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 15.4.2; 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 Transmission Provider'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.

Transmission Provider 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 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 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. 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 Transmission System and Transmission Provider's Interconnection Facilities.

15.6. Limited Liability.

Except as otherwise provided in Article 13.5.1 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.

Article 16. Regulatory Requirements and Governing Law.

16.1. Regulatory Requirements.

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 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 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 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.

Either Party 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 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. 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 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 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 (Indemnifying Party) shall at all times indemnify, defend, and hold the other Party (Indemnified Party) harmless from, any and all damages, losses, claims, demands, 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, to which the Indemnified Party may be put or subject to by reason of any action, omission, negligence, or default on the part of the Indemnifying Party 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.

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 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.

- 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 Agreement.

Article 21. 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 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 13.5 and 20.3 of this Agreement. 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 Transmission Provider) 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.

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 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 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 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 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 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 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.

26.2. Information Submission by ~~Operating Agent~~ Transmission Provider.

The initial information submission by Transmission Provider shall occur no later than one hundred eighty (180) Calendar Days prior to Trial Operation and shall include Transmission System information necessary to allow Interconnection Customer to select equipment and meet any system protection and stability requirements, unless otherwise agreed to by the Parties. On a monthly basis Transmission Provider shall provide Interconnection Customer a status report on the construction and installation of Transmission Provider's Interconnection Facilities and Network 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 Generating Facility data requirements contained in Appendix 1 to the GIP. 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 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. 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 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.

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, 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 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 Upgrade(s) 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 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) Calendar Days.

Article 28. Subcontractors.

28.1. General.

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 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 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 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 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.

30.1.4. 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.

Article 31. Joint Operating Committee.

31.1. 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 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 Generating Facility and other facilities that impact the normal operation of the interconnection of the 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 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 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 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 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 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 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 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 Transmission Provider. 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. Modification by the Parties.

The Parties may by mutual agreement amend the Appendices to this Agreement by a written instrument duly executed by the Parties. Such amendment shall become effective and a part of this Agreement upon satisfaction of all Applicable Laws and Regulations.

32.10. Reservation of Rights.

Transmission Provider shall have the right to modify this Agreement with respect to any rates, terms and conditions, charges, classifications of service, rule or regulation, upon approval of its Board of Directors.

32.11. No Partnership.

This Agreement shall not be interpreted or construed to create an association, joint venture, agency relationship, or partnership between the Parties or to impose any partnership obligation or partnership liability upon either Party. Neither Party shall have any right, power or authority to enter into any agreement or undertaking for, or act on behalf of, or to act as or be an agent or representative of, or to otherwise bind, the other Party.

32.12. 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 Agreement in duplicate originals, each of which shall constitute and be an original effective Agreement between the Parties.

[Insert name of Transmission Provider]

By: _____

Title: _____

Date: _____

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[Insert name of Interconnection Customer]

By: _____

Title: _____

Date: _____

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Appendix A

Interconnection Facilities, Network Upgrade(s) and Distribution Upgrade(s)

1. Interconnection Facilities:

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

(b) [insert Transmission Provider's Interconnection Facilities]:

2. Network Upgrade(s):

3. Distribution Upgrade(s):

Appendix B

Milestones

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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.

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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.

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Appendix E

Commercial Operation Date

[Date]

[Transmission Provider 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
FAX: 602-236-3896
EMAIL: SRPInterconnections@srpnet.com

Interconnection Customer:

[To be supplied.]

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Appendix G

Interconnection Requirements for a Wind Generating Plant

A. Technical Standards Applicable to a Wind Generating Plant

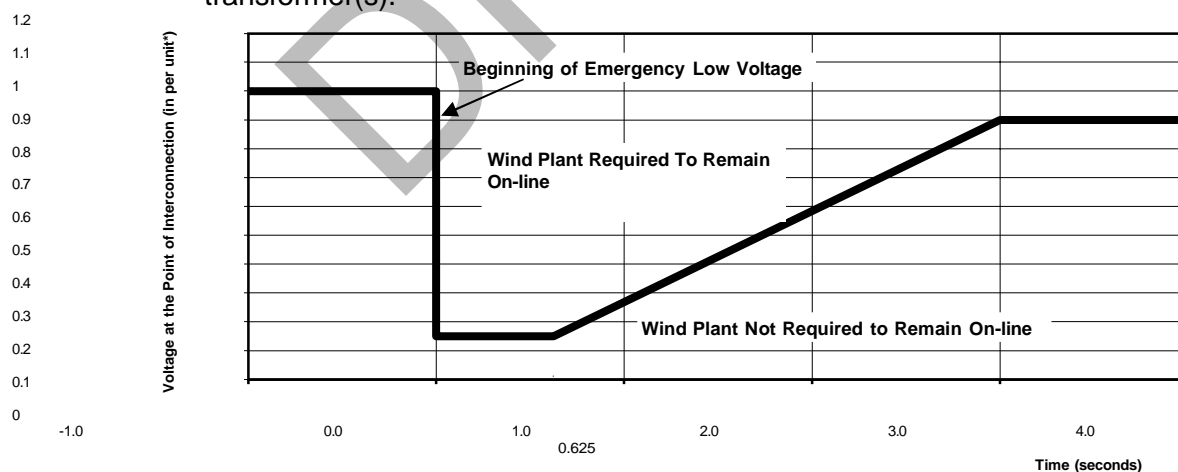
i. Low Voltage Ride-Through (LVRT) Capability

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 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 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~~ at least 0.95 leading to 0.95 lagging, measured at the Point of Interconnection as defined in this GIA, 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

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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 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 switchyard Common Facilities pursuant to Article 12.5 of this Agreement.

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- <i>Hypothetical calculation for illustration only</i>			
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		
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 #1 – Current Interconnection Configuration				O&M Cost Responsibility	Capital Reimbursement to Inter. Cust.
Inter. Cust.	$= \frac{A}{(A + B + C)}$	$= \frac{1}{(1 + 0 + 0)}$	$= \frac{1}{(1)}$	= 1	= 0
SRP	$= \frac{B}{(A + B + C)}$	$= \frac{0}{(1 + 0 + 0)}$	$= \frac{0}{(1)}$	= 0	= 0
Third Party	$= \frac{A}{(A + B + C)}$	$= \frac{0}{(1 + 0 + 0)}$	$= \frac{0}{(1)}$	= 0	= 0

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: <i>for illustration only</i>				O&M Cost Responsibility	Capital Reimbursement to Inter. Cust.
Inter. Cust.	$= \frac{A}{(A + B + C)}$	$= \frac{1}{(1 + 0 + 1)}$	$= \frac{1}{(2)}$	$= \frac{1}{2}$	= 0
SRP	$= \frac{B}{(A + B + C)}$	$= \frac{1}{(1 + 0 + 1)}$	$= \frac{0}{(2)}$	= 0	= 0
Third Party	$= \frac{A}{(A + B + C)}$	$= \frac{1}{(1 + 0 + 1)}$	$= \frac{1}{(2)}$	$= \frac{1}{2}$	$= \frac{1}{2}$

3. Table #3 illustrates cost responsibilities assuming a second future third party interconnector along with the interconnectors of Table #2:

Table #3 - Potential Third Party Interconnection: <i>for illustration only</i>				O&M Cost Responsibility	Capital Reimbursement to Inter. Cust.
Inter. Cust.	$= \frac{A}{(A + B + C)}$	$= \frac{1}{(1 + 0 + 2)}$	$= \frac{1}{(3)}$	$= \frac{1}{3}$	$= 0$
SRP	$= \frac{B}{(A + B + C)}$	$= \frac{1}{(1 + 0 + 2)}$	$= \frac{0}{(3)}$	$= 0$	$= 0$
#1 Third Party	$= \frac{C}{(A + B + C)}$	$= \frac{1}{(1 + 0 + 2)}$	$= \frac{1}{(3)}$	$= \frac{1}{3}$	$= 0$
#2 Third Party	$= \frac{C}{(A + B + C)}$	$= \frac{1}{(1 + 0 + 2)}$	$= \frac{1}{(3)}$	$= \frac{1}{3}$	$= \frac{1}{6}$

Appendix K

Mitigation Facility Fee

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ATTACHMENT P
[Reserved for Future Use]

~~Small Generator Interconnection Agreement and~~

~~Small Generator Interconnection Procedures~~

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ATTACHMENT Q
[Reserved for Future Use]

~~Index of Generation Integration Transmission Customers~~

~~Names of SRP Generation Integration Transmission Service Customers can be accessed via OASIS.~~

DRAFT

ATTACHMENT R
[Reserved for Future Use]

~~Agreements Concerning SRP Direct Access Program~~

~~The following agreements are available for review upon request:~~

~~Service Agreement for Network Integration Transmission Service for Direct Access Customers.~~

~~Scheduling Coordinator Agreement.~~

~~For avoidance of ambiguity, retail competition has been suspended in the State of Arizona.~~

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ATTACHMENT S

Western Energy Imbalance Market

Section 1. General Provision - Purpose and Effective Date of Attachment S

This ATTACHMENT S provides for Transmission Provider's participation as the SRP WEIM Entity in the WEIM administered by the MO. Capitalized terms are defined in Section I (1) of this Tariff. If not defined in this Tariff, defined terms may be contained in the MO Tariff.

This ATTACHMENT S shall be in effect upon its acceptance by SRP's Board of Directors, with the exceptions provided below. ATTACHMENT S shall be in effect for as long as Transmission Provider participates in the WEIM as the SRP WEIM Entity and until all final settlements are finalized resulting from such participation. Sections 4.1.2.1, 4.1.3, 4.1.4, 4.2.4, 5, 6 and 7 of this ATTACHMENT S take effect no earlier than seven (7) days prior to the start of WEIM parallel operations. Sections 4.1.5, 4.1.6, 8 and 10 of this ATTACHMENT S take effect no earlier than the implementation date of SRP's participation in the WEIM.

This ATTACHMENT S shall apply to: (1) all Transmission Customers and Interconnection Customers, ~~with service agreements~~ under ~~Parts II, III, and IV, of this Tariff, and including e-Tagged energy transfer schedules between BAAs with a Transmission Service Number (TSN designation) (excluding grandfathered agreements;~~ (2) all Transmission Customers with agreements that expressly incorporate by reference this Tariff or this ATTACHMENT S; and (3) Transmission Provider's use of the transmission system for service to Native Load Customers. To the extent an Interconnection Customer controls the output of a generator located in the SRP WEIM Entity's BAA, the SRP WEIM Entity may require the Interconnection Customer to comply with requirements in this ATTACHMENT S applicable to Transmission Customers to the extent that the SRP WEIM Entity makes a determination that such Interconnection Customer is the more appropriate party to satisfy the requirements of ATTACHMENT S than any Transmission Customer.

This ATTACHMENT S shall work in concert with the SRP WEIM Business Practice(s), as amended from time to time, and the provisions of the MO Tariff implementing the WEIM to support operation of the WEIM. To the extent that this ATTACHMENT S is inconsistent with a provision in the remainder of this Tariff with regard to the SRP WEIM Entity's administration of the WEIM, this ATTACHMENT S shall prevail.

Any Transmission Customer duties and obligations related to the WEIM are those identified in this Tariff, unless the Transmission Customer voluntarily elects to participate directly in the WEIM as an SRP WEIM Participating Resource, in which case the MO Tariff provisions for WEIM Participating Resources and WEIM Participating Resource Scheduling Coordinators shall also apply.

Section 2. Election of Transmission Customers to Become SRP WEIM Participating Resources

The decision of a Transmission Customer to participate in the WEIM with resources as SRP WEIM Participating Resources is voluntary. A Transmission Customer that chooses to have a resource become an SRP WEIM Participating Resource must ~~satisfy the following:~~

- (1) Meet the requirements specified in Section 3 of this ATTACHMENT S and the SRP WEIM BP; ~~and~~
- ~~(1)(2)~~ Become or retain a MO-certified EIM Participating Resource Scheduling Coordinator; and
- ~~(2)(3)~~ Follow the application and certification process specified in this ATTACHMENT S and the SRP WEIM BP posted on the Transmission Provider's OASIS.

Transmission Customers that own or control multiple resources may elect to have any or all of their resources be SRP WEIM Participating Resources. Any resources that the Transmission Customer does not elect to be SRP WEIM Participating Resources shall be treated as SRP WEIM Non-Participating Resources for purposes of this ATTACHMENT S.

Section 3. Eligibility to be an SRP WEIM Participating Resource

3.1 Internal Resources – Transmission Rights

Resources owned or controlled by Transmission Customers and located within the metered boundaries of SRP's BAA are eligible to become SRP WEIM Participating Resources.

The Transmission Customer that owns or controls the resource must have associated transmission rights based on one of the following:

- (1) The resource is a Network Resource of a Network Customer and the Network Customer elects to participate in the WEIM ~~to procure energy~~ through its Network Integration Transmission Service Agreement; or
- (2) The resource is associated with either a Service Agreement for: (i) Firm Point-to-Point Transmission Service; or (ii) Non-Firm Point-to-Point Transmission Service, ~~or (iii) GTS~~, and such Transmission Customer elects to participate in the WEIM.

3.2 Resources External to SRP's BAA

3.2.1 Use of Pseudo-Ties

A resource owned or controlled by a Transmission Customer that is not physically located inside the metered boundaries of SRP's BAA may participate in the WEIM as an SRP WEIM Participating Resource if the Transmission Customer (1) implements a Pseudo-Tie into SRP's BAA, consistent with SRP's WEIM BP posted on Transmission Provider's OASIS; ~~and~~ (2) has arranged firm transmission over any third-party transmission systems to an SRP BAA intertie boundary equal to the amount of energy that will be Dynamically Transferred through ~~the a~~ Pseudo-Tie into SRP's BAA, consistent with SRP's Business Practice posted on Transmission Provider's OASIS; ~~and~~ (3) has secured transmission service rights consistent with Section 3.1 of this ATTACHMENT S; and (4) has already registered the Pseudo-Tie and resource with the NAESB webRegistry.

3.2.1.1 Pseudo-Tie Costs

Pseudo-Tie implementation costs shall be assessed to a Transmission Customer as specified in a Pseudo-Tie agreement or SRP WEIM BP(s).

3.2.2 Balancing Authority Area Resources and Dynamic Schedules

A generating resource may be an external resource eligible to participate in the WEIM as an SRP WEIM Participating Resource if the resource: (1) is unit specific and capable of providing regulation and load following service; (2) is dynamically scheduled to the SRP BAA; (3) is equipped to respond to signals from SRP's Automatic Generation Control system and be fully dispatchable by SRP; and (4) has arranged firm transmission from SRP or over any third-party transmission systems to an SRP BAA intertie boundary equal to the amount of energy that will be dynamically scheduled into SRP's BAA.

3.3 Application and Certification of SRP WEIM Participating Resources

3.3.1 Application

To register a resource to become an SRP WEIM Participating Resource, an applicant must submit a Completed Application, as set forth in the SRP WEIM BP, and shall provide a deposit of \$1,500 for the SRP WEIM Entity to process the application. Upon completion of processing the application, the SRP WEIM Entity shall charge and the applicant shall pay the actual costs of the application processing. Any difference between the deposit and the actual costs of the application processing shall be paid by or refunded (without interest) to the SRP WEIM Participating Resource applicant, as appropriate.

At the time of application, any SRP WEIM Participating Resource applicant must elect to perform the duties of either a CAISO Metered Entity or CAISO Scheduling Coordinator Metered Entity, consistent with the MO's requirements and additional technical requirements set forth in the SRP WEIM BP, as applicable.

3.3.2 Processing the Application

The SRP WEIM Entity shall make a determination as to whether to accept or reject the application within forty-five (45) days of receipt of the application. At minimum, the SRP WEIM Entity shall validate through the application that the SRP WEIM Participating Resource applicant has satisfied Sections 3.1 and 3.2 of this ATTACHMENT S, as applicable, and met minimum telemetry and metering requirements, as set forth in the MO's requirements and the SRP WEIM BP. Within forty-five (45) days of receipt of the application and in accordance with the process outlined in the SRP WEIM BP, the SRP WEIM Entity may request additional information and will attempt to resolve any minor deficiencies in the application with the Transmission Customer. The SRP WEIM Entity may extend the 45-day period to accommodate the resolution of minor deficiencies in the application in order to make a determination on an application.

If the SRP WEIM Entity approves the application, it shall send notification of approval to both the SRP WEIM Participating Resource applicant and the MO. The process by which the SRP WEIM Entity sends notification of approval shall be set forth in the SRP WEIM BP.

If the SRP WEIM Entity rejects the application, the SRP WEIM Entity shall send notification stating the grounds for rejection to the SRP WEIM Participating Resource applicant. Upon request, the SRP WEIM Entity may provide guidance to the applicant as to how the SRP WEIM Participating Resource applicant may cure the grounds for the rejection. In the event that the SRP WEIM Entity has granted an extension of the 45-day period, but the applicant has neither provided the additional requested information nor otherwise resolved identified deficiencies within six (6)

months of the SRP WEIM Entity's initial receipt of the application, the application shall be deemed rejected by the SRP WEIM Entity.

If an application is rejected, the SRP WEIM Participating Resource applicant may resubmit its application at any time (with including submission of a new processing deposit).

3.3.3 Certification Notice

Upon approval of an application and in accordance with the process specified in the SRP WEIM BP, certification by the SRP WEIM Entity of the SRP WEIM Participating Resource to participate in the WEIM shall occur once the Transmission Customer has demonstrated and the MO has confirmed that the Transmission Customer has:

- (1) Met the MO's criteria to become an WEIM Participating Resource and executed the MO's WEIM Participating Resource Agreement;
- (2) Qualified to become or retained the services of a MO-certified WEIM Participating Resource Scheduling Coordinator;
- (3) Met the necessary metering requirements of this Tariff and Section 29.10 of the MO Tariff, and the WEIM Participating Resource Scheduling Coordinator has executed the MO's Meter Service Agreement for Scheduling Coordinators; and
- (4) Met communication and data requirements of this Tariff and Section 29.6 of the MO Tariff; and has the ability to receive and implement Dispatch Instructions every five minutes from the MO.

Upon receiving notice from the MO of the completion of the enumerated requirements by the Transmission Customer, the SRP WEIM Entity shall provide notice to both the Transmission Customer with an SRP WEIM Participating Resource and the MO that the SRP WEIM Participating Resource is certified and therefore eligible to participate in the WEIM. The process by which the SRP WEIM Entity certifies Transmission Customers with an SRP WEIM Participating Resource shall be set forth in the SRP WEIM BP.

3.3.4 Status of Resource Pending Certification

If the Transmission Customer (i) has submitted an application for a resource to be an SRP WEIM Participating Resource but the application has not been approved, or (ii) the resource has not yet been certified by the SRP WEIM Entity consistent with Section 3.3.3 of this ATTACHMENT S, the resource shall be deemed to be an SRP WEIM Non-Participating Resource.

3.3.5 Notice and Obligation to Report a Change in Information

Each Transmission Customer with an SRP WEIM Participating Resource has an ongoing obligation to inform the SRP WEIM Entity of any changes to any of the information submitted as part of the application process under this ATTACHMENT S consistent with SRP WEIM Business Practice Manual.

This information includes, but is not limited to the following:

- (1) Any change in the SRP WEIM Participating Resource Scheduling Coordinator representing the resource;
- (2) Any change in the ownership or control of the resource;
- (3) Any change to the physical characteristics of the resource required to be reported to the MO in accordance with Section 29.4(e)(4)(D) of the MO Tariff; and
- (4) If either the MO terminates the participation of the SRP WEIM Participating Resource in the WEIM, or the Transmission Customer has terminated the SRP WEIM Participating Resource's participation in the WEIM, that resource shall be considered to be an SRP WEIM Non-Participating Resource for purposes of this Tariff, including ATTACHMENT S.

Section 4. Roles and Responsibilities

4.1 Transmission Provider as the SRP WEIM Entity and the SRP WEIM Entity Scheduling Coordinator

4.1.1 Responsibilities

4.1.1.1 Identification of WEIM Entity Scheduling Coordinator

The SRP WEIM Entity may serve as the SRP WEIM Entity Scheduling Coordinator or may retain a third party to perform such role. If the SRP WEIM Entity is not the SRP WEIM Entity Scheduling Coordinator, the SRP WEIM Entity shall communicate to the SRP WEIM Entity Scheduling Coordinator the information required by the SRP WEIM Entity Scheduling Coordinator to fulfill its responsibilities in the WEIM.

The SRP WEIM Entity Scheduling Coordinator shall coordinate and facilitate the WEIM in accordance with the requirements of the MO Tariff. The SRP WEIM Entity Scheduling Coordinator must meet the certification requirements of the MO and enter into any necessary MO agreements.

4.1.1.2 Processing SRP WEIM Participating Resource Applications

The SRP WEIM Entity shall be responsible for processing applications of Transmission Customers seeking authorization to participate in the WEIM with resources as SRP WEIM Participating Resources in accordance with Section 3.3 of this ATTACHMENT S.

4.1.1.3 Determination of WEIM Implementation Decisions for SRP's BAA

The SRP WEIM Entity is solely responsible for making any decisions with respect to WEIM participation that the MO requires of WEIM Entities. The SRP WEIM Entity has made the following determinations:

- (1) Load Aggregation Point: There shall be one LAP for SRP's BAA.
- (2) MO metering agreements: The SRP WEIM Entity and each Transmission Customer with SRP WEIM Participating Resources shall become either a CAISO Scheduling Coordinator Metered Entity or a CAISO Metered Entity in accordance with Section 29.10 of the MO Tariff. The SRP WEIM Entity shall be a CAISO Scheduling Coordinator Metered Entity on

behalf of all Transmission Customers with SRP WEIM Non-Participating Resources in accordance with Section 29.10 of the MO Tariff.

4.1.1.4 SRP WEIM Business Practice

The SRP WEIM Entity shall establish and revise, as necessary, procedures to facilitate implementation and operation of the WEIM through the SRP WEIM BP. The WEIM BP shall be posted on the Transmission Provider's OASIS.

4.1.1.5 Determination to Take Corrective Actions or Permanently Terminate Participation in the WEIM

The SRP WEIM Entity may take corrective actions in SRP's BAA in accordance with the requirements of Section 10.3 of ATTACHMENT S.

In addition, the SRP WEIM Entity, in its sole and absolute discretion, may permanently terminate its participation in the WEIM by providing notice of termination to the MO pursuant to applicable agreements, in accordance with the requirements of Section 10.2 of ATTACHMENT S.

4.1.2 Responsibilities of the SRP WEIM Entity to Provide Required Information

4.1.2.1 Provide Modeling Data to the MO

The SRP WEIM Entity shall provide the MO information associated with transmission facilities within SRP's BAA, including, but not limited to, network constraints and associated limits that must be observed in SRP's BAA and interties with other BAAs.

4.1.2.2 Registration

The SRP WEIM Entity shall register all SRP WEIM Non-Participating Resources with the MO. The SRP WEIM Entity may choose to obtain default energy bids from the MO for SRP WEIM Non-Participating Resources that are Balancing Authority Area Resources. The SRP WEIM Entity shall update this information in accordance with the MO's requirements as revised information is received from Transmission Customers with SRP WEIM Non-Participating Resources in accordance with Section 4.2.1.2 of this ATTACHMENT S.

4.1.3 Day-to-Day WEIM Operations

4.1.3.1 Submission of Transmission Customer Base Schedule, Forecast Data for SRP WEIM Non-Participating Resources that are Variable Energy Resources, and Resource Plans

The SRP WEIM Entity is responsible for providing the data required by the MO in accordance with Section 29.34 of the MO Tariff, including but not limited to: (1) hourly Transmission Customer Base Schedules; (2) Forecast Data for SRP WEIM Non-Participating Resources that are Variable Energy Resources; and (3) Resource Plans.

4.1.3.2 Communication of Manual Dispatch Information

The SRP WEIM Entity shall inform the MO of a Manual Dispatch by providing adjustment information for the affected resources in accordance with Section 29.34 of the MO Tariff.

4.1.3.3 Confirmation

The MO shall calculate, and the SRP WEIM Entity shall confirm, actual values for Dynamic Schedules reflecting WEIM Transfers to the MO within sixty (60) minutes after completion of the Operating Hour to ensure the e-Tag author will be able to update these values in accordance with WECC policies and industry standards through an update to the e-Tag. If WECC policies and industry standards are modified such that the 60-minute time frame set forth in the preceding sentence is no longer sufficient to enable compliance with the WECC policies and industry standards, Transmission Provider shall specify in its WEIM BP the applicable time frame necessary to remain compliant.

4.1.3.4 Dispatch of WEIM Available Balancing Capacity of an SRP WEIM Non-Participating Resource

Upon notification by the MO, the SRP WEIM Entity shall notify the SRP WEIM Non-Participating Resource of the Dispatch Operating Point for any WEIM Available Balancing Capacity from the SRP WEIM Non-Participating Resource, except in circumstances in which the SRP WEIM Entity determines that additional capacity is not needed for the BA or has taken other actions to meet the capacity need.

4.1.4 Provision of Meter Data

The SRP WEIM Entity shall submit load, resource, and Interchange data to the MO in accordance with the format and timeframes required in the MO Tariff on behalf of Transmission Customers with SRP WEIM Non-Participating Resources, loads, and Interchange.

4.1.5 Settlement of MO Charges and Payments

The SRP WEIM Entity shall be responsible for financial settlement of all charges and payments allocated by the MO to the SRP WEIM Entity. The SRP WEIM Entity shall sub-allocate WEIM charges and payments in accordance with Schedules 1, 4, and 9 of this Tariff or Section 8 of ATTACHMENT S, as applicable.

4.1.6 Dispute Resolution with the MO

The SRP WEIM Entity shall manage dispute resolution with the MO for the SRP WEIM Entity settlement statements consistent with Section 29.13 of the MO Tariff, Section 12 of this Tariff, and the SRP WEIM BP. Transmission Customers with SRP WEIM Participating Resources shall manage dispute resolution with the MO for any settlement statements they receive directly from the MO.

4.2 Transmission Customer Responsibilities

The following Transmission Customers must comply with the information requirements of this Section: (1) Transmission Customers with an SRP WEIM Participating Resource; (2) Transmission Customers with an SRP WEIM Non-Participating Resource; (3) Transmission Customers with load within SRP's BAA; and (4) subject to the limitations in Section 4.2.4.5.1 of

this ATTACHMENT S, Transmission Customers wheeling through SRP's BAA. This section should be read in conjunction with the SRP WEIM BP.

4.2.1 Initial Registration Data

4.2.1.1 Transmission Customers with an SRP WEIM Participating Resource

A Transmission Customer with an SRP WEIM Participating Resource shall provide the SRP WEIM Entity with data necessary to meet the requirements established by the MO to register all resources with the MO as required by Section 29.4(e)(4)(D) of the MO Tariff.

4.2.1.2 Transmission Customers with SRP WEIM Non-Participating Resources

A Transmission Customer with SRP WEIM Non-Participating Resources shall provide the SRP WEIM Entity with data necessary to meet the requirements established by the MO as required by Section 29.4(c)(4)(C) of the MO Tariff.

4.2.2 Responsibility to Update Required Data

4.2.2.1 Transmission Customers with an SRP WEIM Participating Resource

Each Transmission Customer with an SRP WEIM Participating Resource has an ongoing obligation to inform the MO and SRP WEIM Entity of any changes to any of the information submitted by the Transmission Customer provided under Section 4.2.1 of this ATTACHMENT S that reflects changes in operating characteristics as required by Section 29.4(e)(4)(D) of the MO Tariff. The SRP WEIM BP shall set forth the process and timing requirements of notifying the SRP WEIM Entity of such changes.

4.2.2.2 Transmission Customers with SRP WEIM Non-Participating Resources

Each Transmission Customer with an SRP WEIM Non-Participating Resource has an ongoing obligation to inform the SRP WEIM Entity of any changes to any of the information submitted by the Transmission Customer with an SRP WEIM Non-Participating Resource provided under Section 4.2.1 of this ATTACHMENT S and Section 29.4(c)(4)(C) of the MO Tariff. The SRP WEIM BP shall set forth the process and timing requirements of notifying the SRP WEIM Entity of such changes.

4.2.3 Outages

Transmission Customers with SRP WEIM Participating Resources and Transmission Customers with SRP WEIM Non-Participating Resources shall be required to provide planned and unplanned outage information for their resources in accordance with Section 7 of this ATTACHMENT S.

4.2.4 Submission of Transmission Customer Base Schedule

Every Transmission Customer (including Transmission Customers that do not have any resources or load within SRP's BAA) shall submit the Transmission Customer Base Schedule to the SRP WEIM Entity. This submission must include Forecast Data on all resources, Interchange, and Intrachange that balance to the Transmission Customer's anticipated load, as applicable. If the Transmission Customer does not serve load within SRP's BAA, submission of the Transmission Customer Base Schedule shall include Forecast Data on all resources, Interchange, and Intrachange and shall balance to the Transmission Customer's anticipated actual generation within SRP's BAA. The submissions shall be in the format and within the timing requirements established by the MO and the SRP WEIM Entity as required in Section 4.2.4.5 of this ATTACHMENT S and the SRP WEIM BP.

4.2.4.1 Transmission Customers with an SRP WEIM Participating Resource or SRP WEIM Non-Participating Resource in the SRP BAA

A Transmission Customer with an SRP WEIM Participating Resource or an SRP WEIM Non-Participating Resource is not required to submit Forecast Data for:

- (1) Resources located in SRP's BAA that are less than three (3) MW; or
- (2) Behind-the-meter generation which is not contained in the MO's network model.

Each SRP WEIM Participating Resource Scheduling Coordinator shall provide to the SRP WEIM Entity:

- (1) The energy bid range data (without price information) of the respective resources it represents that are participating in the WEIM; and
- (2) Dispatch Operating Point data of the respective resources it represents that are participating in the WEIM.

4.2.4.2 Transmission Customers with SRP WEIM Non-Participating Resources that are Variable Energy Resources

4.2.4.2.1 Resource Forecasts

A Transmission Customer with an SRP WEIM Non-Participating Resource that is a Variable Energy Resource shall submit (i) resource Forecast Data with hourly granularity and (ii) resource Forecast Data with 5-minute or 15-minute granularity. A Transmission Customer with an SRP WEIM Non-Participating Resource that is a Variable Energy Resource shall provide, at minimum, a three-hour rolling forecast with 15-minute granularity, updated every fifteen (15) minutes, and may provide, in the alternative, a three-hour rolling forecast with 5-minute granularity, updated every five (5) minutes, and in accordance with any additional procedures set forth in the SRP WEIM BP.

4.2.4.2.2 Method of Submission

A Transmission Customer with an SRP WEIM Non-Participating Resource that is a Variable Energy Resource shall submit resource Forecast Data consistent with this Section 4.2.4.2 using any one of the following methods:

- (1) The Transmission Customer may elect to use the SRP WEIM Entity's Variable Energy Resource reliability forecast prepared for Variable Energy Resources within SRP's BAA, which shall be considered to be the basis for physical changes in the output of the resource communicated to the MO, for purposes of settlement pursuant to SCHEDULE 9 of this Tariff;
- (2) The Transmission Customer may elect to self-supply the Forecast Data and provide such data to the SRP WEIM Entity, which shall be considered to be the basis for physical changes in the output of the resource communicated to the MO, for purposes of settlement pursuant to SCHEDULE 9 of this Tariff;
- (3) The Transmission Customer may elect that the MO produce Forecast Data for the Variable Energy Resource, made available to the Transmission Customer in a manner consistent with Section 29.11(j)(1) of the MO Tariff, which shall be considered to be the basis for physical changes in the output of the resource communicated to the MO, for purposes of settlement pursuant to SCHEDULE 9 of this Tariff.

4.2.4.2.3 Timing of Submission

A Transmission Customer with an SRP WEIM Non-Participating Resource that is a Variable Energy Resource must elect one of the above methods prior to either: (1) the implementation date of SRP participation WEIM; or (2) the date the SRP WEIM Non-Participating Resource commences operation within the metered boundaries of SRP's BAA. A Transmission Customer with an SRP WEIM Non-Participating Resource that is a Variable Energy Resource may change its election by providing advance notice to the SRP WEIM Entity, in accordance with the procedures set forth in the SRP WEIM BP. To the extent a Transmission Customer with an SRP WEIM Non-Participating Resource that is a Variable Energy Resource elects method (2) above, and such Transmission customer fails to submit resource Forecast Data for any time interval as required by this Section 4.2.4.2 of this ATTACHMENT S, the SRP WEIM Entity shall determine a forecast on behalf of the Transmission Customer for purposes of settlement pursuant to Section 10 of this Tariff.

4.2.4.3 Transmission Customers with Load

As set forth in Section 4.2.4 of this ATTACHMENT S, a Transmission Customer is required to submit Forecast Data on all resources, Interchange, and Intrachange that balance to the Transmission Customer's anticipated load, as applicable.

For purposes of settling Energy Imbalance Service pursuant to SCHEDULE 4 of this Tariff, the SRP WEIM Entity shall calculate the load component of the Transmission Customer Base Schedule as the resource Forecast Data net of its Interchange Forecast Data and net of its Intrachange Forecast Data, as applicable.

4.2.4.4 Transmission Customers Without Resources or Load in SRP's BAA

A Transmission Customer which does not have any resources or load within SRP's BAA shall submit a Transmission Customer Base Schedule that includes Interchange and Intrachange Forecast Data to the SRP WEIM Entity.

4.2.4.5 Timing of Transmission Customer Base Schedules Submission

4.2.4.5.1 Preliminary Submission of Transmission Customer Base Schedules by Transmission Customers with Resources or Load in the SRP BAA

Transmission Customers with resources or load in the SRP BAA shall submit their initial Transmission Customer Base Schedules seven (7) days prior to each Operating Day (T-7 days). Transmission Customers may modify the proposed Transmission Customer Base Schedule at any time but shall submit at least one update by 10 a.m. PST of the day before the Operating Day.

4.2.4.5.2 Final Submissions of Transmission Customer Base Schedules

Transmission Customers shall submit proposed final Transmission Customer Base Schedules, at any time but no later than 77 minutes prior to each Operating Hour (T-77). Transmission Customers may modify Transmission Customer Base Schedules up to and until 57 minutes prior to the Operating Hour (T-57). As of 55 minutes prior to each Operating Hour (T-55), the Transmission Customer Base Schedule data for the Operating Hour will be considered financially binding and Transmission Customers may not submit further changes. If the Transmission Customer fails to enter a Forecast Data value, the default will be 0 MW for that Operating Hour.

4.2.5 Metering for Transmission Customers with SRP WEIM Non-Participating Resources

To assess imbalance, the MO shall disaggregate meter data into 5-minute intervals if the meter intervals are not already programmed to 5-minute intervals pursuant to a Transmission Customer's applicable interconnection requirements. To the extent that a Transmission Customer owns the meter or communication to the meter, the Transmission Customer shall be responsible to maintain accurate and timely data accessible for the SRP WEIM Entity to comply with Section 4.1.4 of this ATTACHMENT S.

4.3 Aggregate Capability Constraint

The MO may enforce an Aggregate Capability Constraint for Co-located Resources that reflects its permissible maximum and minimum capability for purposes of WEIM participation. If the combined Pmax of Co-located Resources associated with a single Generating Facility would exceed the interconnection service capacity of that Generating Facility, the Interconnection Customer may submit a request to the SRP WEIM Entity that the SRP WEIM Entity approve of the MO enforcing an Aggregate Capability Constraint, as provided in the SRP WEIM BP. Such a request of the SRP WEIM Entity will be assessed to ensure use of the Aggregate Capability Constraint will not risk safe and reliable operations of the SRP Transmission System. SRP retains

the full discretion to approve of the use of the Aggregate Capability Constraint for resources within its Balancing Authority Area. The Interconnection Customer must comply with the MO Tariff provisions applicable to the Aggregate Capability Constraint, including compliance with the MO's WEIM business practice manual and any other requirements set forth by the MO.

If the Interconnection Customer does not elect an Aggregate Capability Constraint, the combined Pmax of the Co-located Resources for that Generating Facility may not exceed the Generating Facility's interconnection service capacity.

In the event that Co-located Resources in the SRP WEIM Entity Balancing Authority Area do not comply with Dispatch Instructions such that their output exceeds the interconnection service for the Co-located Resources, the SRP WEIM Entity will revoke its prior approval of enforcing the Aggregate Capability Constraint for such Co-located Resources. If the Aggregate Capability Constraint is revoked, the combined Pmax of the Co-located Resources for that Generating Facility may not exceed the Generating Facility's interconnection service capacity.

The following resources, as defined in the MO Tariff, are not eligible to use the Aggregate Capability Constraint: Multi-Stage Generators, Proxy Demand Response, Pumped Storage Hydro Units, Metered Sub-Systems, and Use-Limited Resources.

The Pricing Node for the WEIM Participating Resources subject to an Aggregate Capability Constraint will be their Point of Interconnection.

Section 5. Transmission Operations

5.1 Provision of Information Regarding Real-Time Status of the Transmission Provider's Transmission System

The SRP WEIM Entity shall provide the MO information on the following:

- (1) Real time data for the Transmission System and inerties; and
- (2) Any changes to transmission capacity and the Transmission System due to operational circumstances.

5.2 WEIM Transfers by an SRP Interchange Rights Holder

The SRP WEIM Entity shall facilitate the provision of transmission capacity for WEIM Transfers offered by an SRP Interchange Rights Holder by providing the MO with information about the amounts made available by the SRP Interchange Rights Holder for WEIM Transfers.

The provision of WEIM Transfers shall be implemented through the SRP Interchange Rights Holder's submission of an e-Tag by 75 minutes prior to the Operating Hour (T-75), in accordance with the SRP WEIM BP.

The amount made available for WEIM Transfers shall never exceed the SRP Interchange Rights Holder's transmission rights.

5.3 WEIM Transfers by the SRP WEIM Entity

The SRP WEIM Entity shall facilitate the provision of transmission capacity for WEIM Transfers by providing the MO with information about the amounts made available for WEIM Transfers utilizing Available Transfer Capability (ATC). The provision of WEIM Transfers corresponding to ATC shall be implemented by forty (40) minutes prior to the Operating Hour (T-40) by the SRP WEIM Entity, in accordance with the SRP WEIM BP. Such amounts shall be in addition to any amounts made available by SRP Interchange Rights Holder pursuant to Section 5.2 of this ATTACHMENT S.

Section 6. System Operations Under Normal and Emergency Conditions

6.1 Compliance with Reliability Standards

Participation in the WEIM shall not modify, change, or otherwise alter the manner in which the Transmission Provider operates its Transmission System consistent with Applicable Reliability Standards, including adjustments.

Participation in the WEIM shall not modify, change, or otherwise alter the obligations of the SRP WEIM Entity, Transmission Customers with SRP WEIM Participating Resources, or Transmission Customers with SRP WEIM Non-Participating Resources to comply with Applicable Reliability Standards.

The SRP WEIM Entity shall remain responsible for the following:

- (1) Maintaining appropriate operating reserves for its obligations pursuant to any reserve sharing group agreements;
- (2) NERC and WECC responsibilities including, but not limited to, informing the Reliability Coordinator of issues within SRP's BAA, in accordance with Applicable Reliability Standards;
- (3) Processing e-Tags and managing schedule Curtailments at the interties; and
- (4) Monitoring and managing real-time flows within system operating limits on all transmission facilities within SRP's BAA, including facilities of SRP BAA Transmission Owners. If requested by a Transmission Customer that is also an SRP BAA Transmission Owner, the SRP WEIM Entity will provide additional information or data related to WEIM operation as it may relate to facilities of an SRP BAA Transmission Owner.

6.2 Good Utility Practice

The SRP WEIM Entity, Transmission Customers with SRP WEIM Non-Participating Resources, and Transmission Customers with SRP WEIM Participating Resources shall comply with Good Utility Practice with respect to this Tariff, including ATTACHMENT S.

6.3 Management of Contingencies and Emergencies

6.3.1 WEIM Disruption

If the MO declares an WEIM disruption in accordance with Section 29.7(j) of the MO Tariff, the SRP WEIM Entity shall, in accordance with Section 29.7(j)(4) of the MO Tariff, promptly inform

the MO of actions taken in response to the WEIM disruption by providing adjustment information, updates to e-Tags, transmission limit adjustments, or outage and de-rate information, as applicable.

6.3.2 Manual Dispatch

The SRP WEIM Entity may issue a Manual Dispatch order to a Transmission Customer with an SRP WEIM Participating Resource or an SRP WEIM Non-Participating Resource in SRP's BAA, to address reliability or operational issues in SRP's BAA that the WEIM is not able to address through normal economic dispatch and congestion management.

The SRP WEIM Entity shall inform the MO of a Manual Dispatch as soon as possible.

Section 7. Outages

7.1 SRP WEIM Entity Transmission Outages

7.1.1 Planned Transmission Outages and Known Derates

The SRP WEIM Entity Scheduling Coordinator shall submit information regarding planned transmission outages and known derates to the MO's outage management system in accordance with Section 29.9(b) of the MO Tariff. The SRP WEIM Entity shall update the submittal if there are changes to the transmission outage plan. The SRP WEIM BP shall set forth the outage information requirements for SRP WEIM Participating Resources and SRP WEIM Non-Participating Resources.

7.1.2 Unplanned Transmission Outages

The SRP WEIM Entity Scheduling Coordinator shall submit information as soon as possible regarding unplanned transmission outages or derates to the MO's outage management system in accordance with Section 29.9(e) of the MO Tariff. The SRP WEIM BP shall set forth the outage information requirements for SRP WEIM Participating Resources and SRP WEIM Non-Participating Resources.

7.2 SRP BAA Transmission Owner Outages

Transmission Customers that are also SRP BAA Transmission Owners shall provide the SRP WEIM Entity with planned and unplanned transmission outage data in accordance with the SRP WEIM BP. Planned outages shall be reported to the SRP WEIM Entity, in accordance with the SRP WEIM BP.

The SRP WEIM Entity Scheduling Coordinator shall communicate information regarding planned and unplanned outages of the SRP BAA Transmission Owner facilities to the MO as soon as reasonably practicable upon receipt of the information from the SRP BAA Transmission Owner.

7.3 SRP WEIM Participating Resource Outages

7.3.1 Planned SRP WEIM Participating Resource Outages and Known Derates

SRP WEIM Participating Resource Scheduling Coordinators shall submit information regarding planned resource outages and known derates to the SRP WEIM Entity in the manner provided by the SRP WEIM BP. Planned outages and known derates shall be reported to the SRP WEIM Entity seven (7) or more days in advance and preferably at least thirty (30) days in advance of the outage or known derate. The SRP WEIM Entity shall then submit this outage information to the MO's outage management system in accordance with Section 29.9(c) of the MO Tariff. SRP WEIM Participating Resource Scheduling Coordinators shall update the submittal as soon as reasonably practicable if there are changes to the resource outage plan or known derates.

7.3.2 Unplanned SRP WEIM Participating Resource Outages and Derates

In the event of an unplanned outage required to be reported under Section 29.9(e) of the MO Tariff, the SRP WEIM Participating Resource Scheduling Coordinator is responsible for notifying the SRP WEIM Entity of required changes. The SRP WEIM Entity Scheduling Coordinator shall then submit this information to the MO's outage management system.

Changes in availability of 10 MW or 5% of Pmax (whichever is greater) lasting 15 minutes or longer must be reported to the SRP WEIM Entity. The SRP WEIM Entity Scheduling Coordinator shall then submit this information to the MO's outage management system.

7.4 Outages of Resources of Transmission Customers with SRP WEIM Non-Participating Resources

7.4.1 Planned Outages and Known Derates of Resources of Transmission Customers with SRP WEIM Non-Participating Resources

Transmission Customers with SRP WEIM Non-Participating Resources shall report information regarding planned outages and known derates of resources to the SRP WEIM Entity in the manner provided by the SRP WEIM BP. The Transmission Customer with an SRP WEIM Non-Participating Resource shall update the submittal if there are changes to the resource's outage plan.

The SRP WEIM Entity Scheduling Coordinator shall submit planned resource outages and known derates of SRP WEIM Non-Participating Resources to the MO's outage management system in accordance Section 29.9(c) of the MO Tariff.

7.4.2 Unplanned Outages or Derates of Resources of Transmission Customers with SRP WEIM Non-Participating Resources

Unplanned outages of resources of a Transmission Customer with SRP WEIM Non-Participating Resources shall be reported to the SRP WEIM Entity as soon as reasonably practicable.

In the event of a forced outage required to be reported under Section 29.9(e) of the MO Tariff, the SRP WEIM Entity Scheduling Coordinator is responsible for notifying the MO of required changes through the MO's outage management system.

Changes in availability of 10 MW or 5% of the element's normal system operating limits (whichever is greater) lasting fifteen (15) minutes or longer must be reported to the SRP WEIM Entity, as soon as reasonably practicable. The SRP WEIM Entity Scheduling Coordinator shall then submit this information to the MO's outage management system.

Section 8. WEIM Settlements and Billing

The SRP WEIM BP shall include information on the specific charge codes applicable to WEIM settlement.

SRP reserves the right not to pass along de minimis charges or credits to Transmission Customers. For this purpose, SRP defines de minimis as an amount equal to or less than \$25.00.

8.1 Instructed Imbalance Energy (IIE)

The SRP WEIM Entity shall settle as Instructed Imbalance Energy ~~these~~ imbalances that result from: (1) operational adjustments of a Transmission Customer's affected base generation schedule or Interchange, which includes changes by a Transmission Customer after T-57; (2) resource imbalances created by Manual Dispatch or an WEIM Available Balancing Capacity dispatch; (3) an adjustment to resource imbalances created by adjustments to resource forecasts; or (4) other reasons IIE is calculated by the MO pursuant to Section 11.5 of the MO Tariff and using the RTD or FMM price at the applicable PNode. Any allocations to the SRP WEIM Entity pursuant to Section 29.11(b)(1) and (2) of the MO Tariff for IIE that is not otherwise recovered under SCHEDULE 9 of this Tariff shall be settled with each Transmission Customer according to this Section 8.1.

8.2 Uninstructed Imbalance Energy (UIE)

Any charges or payments to the SRP WEIM Entity pursuant to Section 29.11(b)(3)(B) and (C) of the MO Tariff for UIE not otherwise recovered under SCHEDULE 4 or SCHEDULE 9 shall not be sub-allocated to Transmission Customers.

8.3 Unaccounted for Energy (UFE)

Any charges to the SRP WEIM Entity pursuant to Section 29.11(c) of the MO Tariff for UFE shall not be sub-allocated to Transmission Customers.

8.4 Charges for Under-Scheduling or Over-Scheduling Load

8.4.1 Under-Scheduling Load

Any charges to the SRP WEIM Entity pursuant to Section 29.11(d)(1) of the MO Tariff for under-scheduling load shall be assigned to the Transmission Customers subject to SCHEDULE 4 based on each Transmission Customer's respective under-scheduling imbalance ratio share, which is the ratio of the Transmission Customer's under-scheduled load imbalance amount relative to all other Transmission Customers' under-scheduled load imbalance amounts who have under-scheduled load for the Operating Hour, expressed as a percentage.

8.4.2 Over-Scheduling Load

Any charges to the SRP WEIM Entity pursuant to Section 29.11(d)(2) of the MO Tariff for over-scheduling load shall be assigned to the Transmission Customers subject to SCHEDULE 4 based on each Transmission Customer's respective over-scheduling imbalance ratio share, which is the ratio of the Transmission Customer's over-scheduled load imbalance amount relative to all other

Transmission Customers' over-scheduled load imbalance amounts who have over-scheduled load for the Operating Hour, expressed as a percentage.

8.4.3 Distribution of Under-Scheduling or Over-Scheduling Proceeds

Any payment to the SRP WEIM Entity pursuant to Section 29.11(d)(3) of the MO Tariff shall be distributed to Transmission Customers that were not subject to under-scheduling or over-scheduling charges during the Trading Day, as defined in the MO Tariff, on the basis of Metered Demand and in accordance with the procedures outlined in the SRP WEIM BP.

8.5 WEIM Uplifts

8.5.1 WEIM BAA Real-Time Market Neutrality (Real-Time Imbalance Energy Offset – BAA)

Any charges to the SRP WEIM Entity pursuant to Section 29.11(e)(3) of the MO Tariff for WEIM BAA real-time market neutrality shall be sub-allocated to Transmission Customers on the basis of Measured Demand.

8.5.2 WEIM Entity BAA Real-Time Congestion Offset

Any charges to the SRP WEIM Entity pursuant to Section 29.11(e)(2) of the MO Tariff for the WEIM real-time congestion offset shall be allocated to Transmission Customers on the basis of Measured Demand.

8.5.3 WEIM Entity Real-Time Marginal Cost of Losses Offset

Any charges to the SRP WEIM Entity pursuant to Section 29.11(e)(4) of the MO Tariff for real-time marginal cost of losses offset shall be sub-allocated to Transmission Customers and the basis of Measured Demand.

8.5.4 WEIM Neutrality Settlement

Any charges to the SRP WEIM Entity pursuant to Section 29.11(e)(5) of the MO Tariff for WEIM neutrality settlement shall be sub-allocated as follows:

Description	Allocation
Neutrality Adjustment (monthly and daily)	Measured Demand
Rounding Adjustment (monthly and daily)	Measured Demand

8.5.5 Real-Time Bid Cost Recovery

Any charges to the SRP WEIM Entity pursuant to Section 29.11(f) of the MO Tariff for WEIM real-time Bid Cost Recovery shall be sub-allocated to Transmission Customers on the basis of Measured Demand.

8.5.6 Flexible Ramping Product

Any charges or payments to the SRP WEIM Entity pursuant to Section 29.11(p) of the MO Tariff for the Flexible Ramping Product shall be sub-allocated to Transmission Customers on the basis as follows:

Description	Allocation
Flexible Ramping Forecasted Movement Resource Settlement	Measured Demand
Flexible Ramping Forecasted Movement Demand Allocation	Metered Demand
Daily Flexible Ramping Uncertainty Award (in both the upward and downward directions)	Measured Demand
Monthly Flexible Ramping Uncertainty Award (in both the upward and downward directions)	Measured Demand
Any other Flexible Ramping Product charges or payments	Measured Demand

8.5.7 Inaccurate or Late Actual Settlement Quality Meter Data Penalty

To the extent the SRP WEIM Entity incurs a penalty for inaccurate or late actual settlement quality meter data, pursuant to Section 37.11.1 of the MO Tariff, the SRP WEIM Entity shall directly assign the penalty to the offending Transmission Customer.

8.5.8 Other WEIM Settlement Provisions

Any charges to the SRP WEIM Entity pursuant to the MO Tariff for the WEIM settlement shall be sub-allocated. The charges shown in the following table shall be sub-allocated as follows:

Description	Allocation
Invoice Deviation (distribution and allocation)	SRP WEIM Entity
Generator Interconnection Process Forfeited Deposit Allocation	SRP WEIM Entity
Default Invoice Interest Payment	SRP WEIM Entity
Default Invoice Interest Charge	SRP WEIM Entity
Invoice Late Payment Penalty	SRP WEIM Entity

Financial Security Posting (Collateral) Late Payment Penalty	SRP WEIM Entity
Shortfall Receipt Distribution	SRP WEIM Entity
Shortfall Allocation Reversal	SRP WEIM Entity
Shortfall Allocation	SRP WEIM Entity
Default Loss Allocation	SRP WEIM Entity

8.6 MO Tax Liabilities

Any charges to the SRP WEIM Entity pursuant to Section 29.22(a) of the MO Tariff for MO tax liability as a result of the WEIM shall be sub-allocated to those Transmission Customers triggering the tax liability.

8.7 WEIM Transmission Service Charges

There shall be no incremental transmission charge assessed for transmission use related to the WEIM. Transmission Customers remain responsible for all costs associated with Transmission Service. Participating Resources and Balancing Authority Area Resources will not incur Overrun charges solely as a result of WEIM Dispatch Instruction.

8.8 Variable Energy Resource Forecast Charge

Any costs incurred by the SRP WEIM Entity related to the preparation and submission of resource Forecast Data for a Transmission Customer with an SRP WEIM Non-Participating Resource electing either method (1) or (2), as set forth in Section 4.2.4.2 of this ATTACHMENT S, shall be allocated to the Transmission Customer with an SRP WEIM Non-Participating Resource electing to use either such method.

For a Transmission Customer with an SRP WEIM Non-Participating Resource electing method (3), as set forth in Section 4.2.4.2 of this ATTACHMENT S, any charges to the SRP WEIM Entity pursuant to Section 29.11(j)(1) of the MO Tariff for Variable Energy Resource forecast charges shall be sub-allocated to the Transmission Customer with an SRP WEIM Non-Participating Resource requesting such forecast.

8.9 WEIM Payment Calendar

Pursuant to Section 29.11(l) of the MO Tariff, the SRP WEIM Entity shall be subject to the MO's payment calendar for issuing settlement statements, exchanging invoice funds, submitting meter data, and submitting settlement disputes to the MO. The SRP WEIM Entity shall follow Section 7 of this Tariff for issuing invoices regarding the WEIM.

8.10 WEIM Residual Balancing AccountCharges or Payments

To the extent that the MO WEIM-related charges or payments to the SRP WEIM Entity are not captured elsewhere in ATTACHMENT S, Schedules 1, 4, and ~~10-9~~ of this Tariff, or this Section 8, those charges or payments shall be placed in a balancing account.

8.11 Market Validation and Price Correction

If the MO modifies the SRP WEIM Entity settlement statement in accordance with the MO's market validation and price correction procedures in the MO Tariff, the SRP WEIM Entity reserves the right to make corresponding or similar changes to the charges and payments sub-allocated under this ATTACHMENT S.

8.12 Allocation of Payments and Charges for Operating Reserves

8.12.1 Payments

Any payments to the SRP WEIM Entity pursuant to Section 29.11(n)(1) of the MO Tariff for Operating Reserve obligations shall be sub-allocated to Transmission Customers with SRP WEIM Participating Resources in the SRP BAA for Operating Hours during which WEIM Transfers from the SRP BAA to another BAA occurred. Payments shall be sub-allocated on a ratio-share basis, defined as the proportion of the volume of Operating Reserves provided by an SRP WEIM Participating Resource in the SRP BAA dispatched during the Operating Hour compared to the total volume of Operating Reserves provided by all SRP WEIM Participating Resources dispatched in the SRP BAA for the Operating Hour.

8.12.2 Charges

Any charges to the SRP WEIM Entity pursuant to Section 29.11(n)(2) of the MO Tariff for Operating Reserve Obligations shall be sub-allocated to Transmission Customers within the SRP BAA based on the Transmission Customer's positive load imbalance ratio share, which is the ratio of the Transmission Customer's positive load imbalance amount (the amount that the Transmission Customer's load exceeds the Transmission Customer's resources) relative to the sum of the positive load imbalances of all other Transmission Customers with such load imbalance amounts for the Operating Hour, expressed as a percentage.

8.13 Assistance Energy Transfers

Any payments or charges to the SRP WEIM Entity pursuant to Section 29.11(t) of the MO Tariff for the WEIM Assistance Energy Transfer Surcharge, as defined in the MO Tariff, shall be sub-allocated to Transmission Customers within the SRP BAA. Upon the sunset of Section 29.11(t) of the MO Tariff pertaining to the WEIM Assistance Energy Transfer Surcharge, this Section 8.13 will also sunset.

8.13.1 Payments

Payments shall be sub-allocated on a ratio-share basis, defined as the proportion of the volume of the Transmission Customer's Imbalance Energy Transfers out of the SRP BAA dispatched during the Operating Hour compared to the total volume of Imbalance Energy provided by all Transfers out of the SRP BAA for the Operating Hour.

8.13.2 Charges

Any charges to the SRP WEIM Entity pursuant to Section 29.11(t) of the MO Tariff for the receipt of real time assistance energy shall be sub-allocated to Transmission Customers with in the SRP BAA based on the Transmission Customer's Measured Demand.

Section 9. Compliance

9.1 Provision of Data

Transmission Customers with SRP WEIM Participating Resources and SRP WEIM Participating Resource Scheduling Coordinators are responsible for complying with information requests they receive directly from the CAISO Department of Market Monitoring or regulatory authorities concerning WEIM activities.

A Transmission Customer with SRP WEIM Participating Resources or a Transmission Customer with SRP WEIM Non-Participating Resources must provide the SRP WEIM Entity with all data necessary to respond to information requests received by the SRP WEIM Entity from the MO, the CAISO Department of Market Monitoring, or regulatory authorities concerning WEIM activities.

If the SRP WEIM Entity receives a request pursuant to the Arizona public records law (A.R.S. § 39-101, et seq.) or is required by applicable laws or regulations, or in the course of administrative or judicial proceedings, to disclose information that is otherwise required to be maintained in confidence, the SRP WEIM Entity may disclose such information; provided, however, that upon the SRP WEIM Entity learning of a request or disclosure requirement and, if possible, prior to making such disclosure, the SRP WEIM Entity shall notify any affected party. The affected party may, at its sole discretion and own cost, direct any challenge to or defense against the disclosure.

The SRP WEIM Entity shall treat all Transmission Customer and Interconnection Customer non-public data and information provided to it as market-sensitive and confidential, unless the SRP WEIM Entity is otherwise allowed or required to disclose pursuant to this Section 9.1. The SRP WEIM Entity shall continue to abide by the Board-approved standards of conduct and handle customer information accordingly.

9.2 Rules of Conduct

These rules of conduct are intended to provide fair notice of the conduct expected and to provide an environment in which all parties may participate in the WEIM on a fair and equal basis.

Transmission Customers must:

- (1) Comply with Dispatch Instructions and SRP WEIM Entity operating orders in accordance with Good Utility Practice. If some limitation prevents the Transmission Customer from fulfilling the action requested by the MO or the SRP WEIM Entity, the Transmission Customer must immediately and directly communicate the nature of any such limitation to the SRP WEIM Entity;
- (2) Submit bids for resources that are reasonably expected to both be and remain available and capable of performing at the levels specified in the bid, based on all information that is known or should have been known at the time of submission;

- (3) Notify the MO and the SRP WEIM Entity, as applicable, of outages in accordance with Section 7 of this ATTACHMENT S;
- (4) Provide complete, accurate, and timely meter data to the SRP WEIM Entity in accordance with the metering and communication requirements of this Tariff and maintain responsibility to ensure the accuracy of such data communicated by any customer-owned metering or communications systems. To the extent such information is not accurate or timely when provided to the SRP WEIM Entity, the Transmission Customer shall be responsible for any consequence on settlement and billing;
- (5) Provide information to the SRP WEIM Entity, including the information requested in Sections 4.2.1, 4.2.2, 4.2.3, 4.2.4, and 9.1 of this ATTACHMENT S, by the applicable deadlines; and
- (6) Use commercially reasonable efforts to ensure that forecasts are accurate and based on all information that is known or should have been known at the time of submission to the SRP WEIM Entity.

9.3 Enforcement

The SRP WEIM Entity may refer a violation of Section 9.2 of this ATTACHMENT S to the CAISO Department of Market Monitoring or FERC. Nothing in this Section 9 is meant to limit the SRP WEIM Entity from pursuing any other remedy before FERC or any applicable judicial, governmental, or administrative body.

Section 10. Market Contingencies

10.1 Temporary Suspension by the MO

In the event that the MO implements a temporary suspension in accordance with Section 29.1(d)(1) of the MO Tariff, including the actions identified in Section 29.1(d)(5), the SRP WEIM Entity shall use Schedules 4-A, 9-A and 10 and Sections 10.4.1, 10.4.2 and 10.4.3 of this ATTACHMENT S until the temporary suspension is no longer in effect or, if the MO determines to extend the suspension, for a period of time sufficient to process termination of the SRP WEIM Entity's participation in the WEIM in accordance with Section 29.1(d)(2) of the MO Tariff.

10.2 Termination of Participation in WEIM by the SRP WEIM Entity

If the SRP WEIM Entity submits a notice of termination of its participation in the WEIM to the MO in accordance with the applicable agreements and Section 4.1.1.5 of this ATTACHMENT S, in order to mitigate price exposure during the 180-day period between submission of the notice and the termination effective date, the SRP WEIM Entity may invoke the following corrective actions by requesting that the MO:

- (1) Prevent WEIM Transfers and separate the SRP WEIM Entity's BAA from operation of the WEIM in the WEIM Area; and
- (2) Suspend settlement of WEIM charges with respect to the SRP WEIM Entity.

Once such corrective actions are implemented by the MO, the SRP WEIM Entity shall use Schedules 4-A, 9-A and 10 and Sections 10.4.1, 10.4.2 and 10.4.3 of this ATTACHMENT S.

If the SRP WEIM Entity takes action under this Section 10.2, the SRP WEIM Entity shall notify the MO and Transmission Customers.

10.3 Corrective Actions Taken by the SRP WEIM Entity for Temporary Contingencies

The SRP WEIM Entity may declare a temporary contingency and invoke corrective actions for the WEIM when, in its judgment:

- (1) Operational circumstances (including a failure of the WEIM to produce feasible results in SRP's BAA) have caused or are in danger of causing an abnormal system condition in SRP's BAA that requires immediate action to prevent loss of load, equipment damage, or tripping system elements that might result in cascading outages, or to restore system operation to meet the applicable Reliability Standards and reliability criteria established by NERC and WECC; or
- (2) Communications between the MO and the SRP WEIM Entity are disrupted and prevent the SRP WEIM Entity, the SRP WEIM Entity Scheduling Coordinator, or an SRP WEIM Participating Resource Scheduling Coordinator from accessing MO systems to submit or receive information.

10.3.1 Corrective Actions for Temporary Contingencies

If either of the above temporary contingencies occurs, the SRP WEIM Entity may invoke the following corrective actions by requesting that the MO:

- (1) Prevent WEIM Transfers and separate the SRP WEIM Entity's BAA from operation of the WEIM in the WEIM Area; and/or
- (2) Suspend settlement of WEIM charges with respect to the SRP WEIM Entity.

When corrective action 10.3.1(2) is implemented or if the MO Tariff requires the use of these temporary schedules to set an administrative price, the SRP WEIM Entity shall use Schedules 4-A, 9-A and 10 and Sections 10.4.1, 10.4.2 and 10.4.3 of SRP's Tariff.

The SRP WEIM Entity and the MO shall cooperate to resolve the temporary contingency event and restore full WEIM operations as soon as is practicable.

ATTACHMENT T

Transmission Line Ratings

General:

The Transmission Provider will implement Transmission Line Ratings on the transmission lines over which it provides Transmission Service, as provided below.

Definitions:

The following definitions apply for purposes of this Attachment:

- (1) "Transmission Line Rating" means the maximum transfer capability of a transmission line, computed in accordance with a written Transmission Line Rating methodology and consistent with Good Utility Practice, considering the technical limitations on conductors and relevant transmission equipment (such as thermal flow limits), as well as technical limitations of the Transmission System (such as system voltage and stability limits). Relevant transmission equipment may include, but is not limited to, circuit breakers, line traps, and transformers.
- (2) "Ambient-Adjusted Rating" (AAR) means a Transmission Line Rating that:
 - (a) Applies to a time period of not greater than one hour.
 - (b) Reflects an up-to-date forecast of ambient air temperature across the time period to which the rating applies.
 - (c) Reflects the absence of solar heating during nighttime periods, where the local sunrise/sunset times used to determine daytime and nighttime periods are updated at least monthly, if not more frequently.
 - (d) Is calculated at least each hour, if not more frequently.
- (3) "Seasonal Line Rating" means a Transmission Line Rating that:
 - (a) Applies to a specified season, where seasons are defined by the Transmission Provider to include not fewer than four seasons in each year, and to reasonably reflect portions of the year where expected high temperatures are relatively consistent.
 - (b) Reflects an up-to-date forecast of ambient air temperature across the relevant season over which the rating applies.
 - (c) Is calculated annually, if not more frequently, for each season in the future for which Transmission Service can be requested.
- (4) "Near-Term Transmission Service" means Transmission Service which ends not more than 10 days after the Transmission Service request date. When the description of obligations below refers to either a request for information about the availability of potential Transmission Service (including, but not limited to, a request for ATC), or to the posting of

ATC or other information related to potential service, the date that the information is requested or posted will serve as the Transmission Service request date. "Near-Term Transmission Service" includes any Point-To-Point Transmission Service, Network Resource designations, or secondary service where the start and end date of the designation or request is within the next 10 days.

- (5) "Emergency Rating" means a Transmission Line Rating that reflects operation for a specified, finite period, rather than reflecting continuous operation. An Emergency Rating may assume an acceptable loss of equipment life or other physical or safety limitations for the equipment involved.

System Reliability:

If the Transmission Provider reasonably determines, consistent with Good Utility Practice, that the temporary use of a Transmission Line Rating different than would otherwise be required by this Attachment is necessary to ensure the safety and reliability of the Transmission System, then the Transmission Provider may use such an alternate rating. The Transmission Provider must document in its database of Transmission Line Ratings and Transmission Line Rating methodologies on OASIS or another password-protected website, as required by this Attachment, the use of an alternate Transmission Line Rating under this paragraph, including the nature of and basis for the alternate rating, the date and time that the alternate rating was initiated, and (if applicable) the date and time that the alternate rating was withdrawn and the standard rating became effective again.

Obligations of Transmission Provider:

The Transmission Provider will have the following obligations.

The Transmission Provider must use AARs as the relevant Transmission Line Ratings when performing any of the following functions: (1) evaluating requests for Near-Term Transmission Service; (2) responding to requests for information on the availability of potential Near-Term Transmission Service (including requests for ATC or other information related to potential service); or (3) posting ATC or other information related to Near-Term Transmission Service to the Transmission Provider's OASIS site or another password-protected website.

The Transmission Provider must use AARs as the relevant Transmission Line Ratings when determining whether to curtail (under section 13.6) Firm Point-To-Point Transmission Service or when determining whether to curtail and/or interrupt (under section 14.7) Non-Firm Point-To-Point Transmission Service if such curtailment and/or interruption is both necessary because of issues related to flow limits on transmission lines and anticipated to occur (start and end) within 10 days of such determination. For determining whether to curtail or interrupt Point-To-Point Transmission Service in other situations, the Transmission Provider must use Seasonal Line Ratings as the relevant Transmission Line Ratings.

The Transmission Provider must use AARs as the relevant Transmission Line Ratings when determining whether to curtail (under section 32) or redispatch (under sections 29.5 and/or 32) Network Integration Transmission Service or secondary service if such curtailment or redispatch is both necessary because of issues related to flow limits on

transmission lines and anticipated to occur (start and end) within 10 days of such determination. For determining the necessity of curtailment or redispatch of Network Integration Transmission Service or secondary service in other situations, the Transmission Provider must use Seasonal Line Ratings as the relevant Transmission Line Ratings.

The Transmission Provider must use Seasonal Line Ratings as the relevant Transmission Line Ratings when evaluating requests for and whether to curtail, interrupt, or redispatch any Transmission Service not otherwise covered above in this section (including, but not limited to, requests for non-Near-Term Transmission Service or requests to designate or change the designation of Network Resources or Network Load), when developing any ATC or other information posted or provided to potential customers related to such services.

The Transmission Provider must use Seasonal Line Ratings as a recourse rating in the event that an AAR otherwise required to be used under this Attachment is unavailable.

The Transmission Provider must use uniquely determined Emergency Ratings for contingency analysis in the operations horizon and in post-contingency simulations of constraints. Such uniquely determined Emergency Ratings must also include separate AAR calculations for each Emergency Rating duration used.

In developing forecasts of ambient air temperature for AARs and Seasonal Line Ratings, the Transmission Provider must develop such forecasts consistent with Good Utility Practice and on a non-discriminatory basis. Postings to OASIS or another password-protected website: The Transmission Provider must maintain on the password-protected section of its OASIS page or on another password-protected website a database of Transmission Line Ratings and Transmission Line Rating methodologies. The database must include a full record of all Transmission Line Ratings, both as used in real-time operations, and as used for all future periods for which Transmission Service is offered. Any postings of temporary alternate Transmission Line Ratings or exceptions used under the System Reliability section above or the Exceptions section below, respectively, are considered part of the database. The database must include records of which Transmission Line Ratings and Transmission Line Rating methodologies were in effect at which times over at least the previous five years, including records of which temporary alternate Transmission Line Ratings or exceptions were in effect at which times during the previous five years. Each record in the database must indicate which transmission line the record applies to, and the date and time the record was entered into the database. The database must be maintained such that users can view, download, and query data in standard formats, using standard protocols.

Sharing with Transmission Providers: The Transmission Provider must share, upon request by any Transmission Provider and in a timely manner, the following information:

- (1) Transmission Line Ratings for each period for which Transmission Line Ratings are calculated, with updated ratings shared each time Transmission Line Ratings are calculated, and
- (2) Written Transmission Line Rating methodologies used to calculate the Transmission Line Ratings in (1) above.

Exceptions: Where the Transmission Provider determines, consistent with Good Utility Practice, that the Transmission Line Rating of a transmission line is not affected by ambient air temperature or solar heating, the Transmission Provider may use a Transmission Line Rating for that transmission line that is not an AAR or Seasonal Line Rating. Examples of such a transmission line may include (but are not limited to): (1) a transmission line for which the technical transfer capability of the limiting conductors and/or limiting transmission equipment is not dependent on ambient air temperature or solar heating; or (2) a transmission line whose transfer capability is limited by a Transmission System limit (such as a system voltage or stability limit) which is not dependent on ambient air temperature or solar heating. The Transmission Provider must document in its database of Transmission Line Ratings and Transmission Line Rating methodologies on OASIS or another password-protected website any exceptions to the requirements contained in this Attachment initiated under this paragraph, including the nature of and basis for each exception, the date(s) and time(s) that the exception was initiated, and (if applicable) the date(s) and time(s) that each exception was withdrawn and the standard rating became effective again. If the technical basis for an exception under this paragraph changes, then the Transmission Provider must update the relevant Transmission Line Rating(s) in a timely manner. The Transmission Provider must reevaluate any exceptions taken under this paragraph at least every five years.

ATTACHMENT U
Transmission Service Transfer Agreement

An existing Transmission Customer in good standing may Transfer its Service Agreement(s) if Salt River Project Agricultural Improvement and Power District ("SRP") determines in its sole discretion that the proposed assignee is an Eligible Customer and that the other relevant provisions of the Service Agreement(s) and the SRP Open Access Transmission Tariff ("Tariff") have been satisfied. Transferor, Transferee and SRP must execute this Agreement for the Transfer of Service Agreements ("Transfer Agreement") prior to Transferee exercising any rights under the TSAs.

1.0 This Transfer Agreement, dated as of the date of last signature below ("Effective Date"), is entered into, by and between SRP, an agricultural improvement district organized under the laws of the State of Arizona, _____ ("Transferor"), a(n) _____ organized and existing under the laws of the State of _____, and _____ ("Transferee"), a(n) _____ organized and existing under the laws of the State of _____. SRP, Transferor and Transferee may be individually referred to herein as a "Party" and collectively referred to herein as the "Parties".

2.0 Terms used herein with initial capitalization, whether in the singular or the plural, which are not otherwise defined herein shall have the meanings specified in the Tariff and are hereby incorporated into this Transfer Agreement. The following terms used herein, whether in the singular or the plural, shall have the meanings set forth below:

2.1 Eligible Customer – a customer which is eligible for transmission service under Section 211(a) of the Federal Power Act (16 U.S.C. § 824j(a)) and Section 1.25 of the Tariff as may be amended from time-to-time.

2.2 Parent Reservation – an existing, confirmed reservation being modified by a Transfer.

2.3 Transfer – a complete and permanent release of the rights and financial liabilities of Transmission Customer underlying the Service Agreement(s) to another Eligible Customer that fully assumes the responsibility for all such financial liabilities and obligations.

2.4 TSA – means the Service Agreement for Long-Term Firm Point-To-Point Transmission Service dated as of _____, by and between SRP and Transferor.

3.0 SRP consents to the Transfer contemplated herein, and shall provide Point-to-Point Transmission Service and Ancillary Services to the Transferee in accordance with Section 23 of the Tariff for each transaction requested under the TSA, based upon the following, each of which SRP acknowledges to be true (and based upon the other provisions of this Transfer Agreement):

3.1 Transferee has been determined by SRP to be an Eligible Customer;

3.2 Transferee has established its creditworthiness pursuant to Section 11 and ATTACHMENT L of the Tariff as may be amended from time-to-time;

3.3 Transferor has been determined by SRP to have submitted on SRP's OASIS a Completed Application and its Transmission Service Request has been granted by SRP; and

3.4 Transferor and Transferee have executed this Transfer Agreement.

4.0 Transferor hereby completely and permanently transfers/assigns to Transferee all the rights, interest, obligations and liabilities in, to and under the TSA, including, for example, the Point-to-Point Transmission Service purchased on SRP's OASIS for which SRP is the primary transmission provider and for which there is sufficient available capacity on the Parent Reservation for the requested duration.

5.0 Transferee hereby completely and permanently assumes all the rights, interest, obligations and liabilities in, to and under the TSA, including, for example, the responsibility for the obligation to pay SRP for the Point-to-Point Transmission Service, as well as to provide the Completed Application deposit and any other security required, pursuant to the TSA and the provisions of the Tariff as may be amended from time-to-time.

6.0 Transferor shall remain responsible for all obligations and liabilities under the TSA arising before the Effective Date.

7.0 Transferee shall not schedule the capacity under the TSA until the Transfer Agreement is confirmed on OASIS.

8.0 Transferee agrees to supply all the information that SRP deems reasonably necessary in accordance with the provisions of Parts I and II of the Tariff as may be amended from time-to-time, this Transfer Agreement, and NAESB Business Practice Standards adopted by FERC.

9.0 SRP agrees to provide and the Transferee agrees to take Point-to-Point Transmission Service and Ancillary Services requested for a transaction in accordance with the provisions of the Tariff as may be amended from time-to-time and this Transfer Agreement.

10.0 Changes by the Transferee to the Transferor's Point(s) of Receipt and Point(s) of Delivery will be subject to the provisions of Section 23.2 of the Tariff as may be amended from time-to-time.

11.0 Any reservation is subject to displacement should the Parent Reservation be displaced by a higher priority request.

12.0 Any notice, request, consent, claim, demand, or waiver made to or by any Party regarding this Transfer Agreement shall be made to the representative of the applicable Party as indicated below.

SRP:

Via United States Postal Service:

Director, Transmission and Generation Operations

SRP

P. O. Box 52025, POB 013

Phoenix, AZ 85072-2025



Via Hand Delivery:

Director, Transmission and Generation Operations
POB 013
SRP – Central Mail Receiving Station
1600 N Priest Dr.
Tempe, AZ 85288-8100

Transferee:

Via United States Postal Service:

Transferor:

Via United States Postal Service:

13.0 This Transfer Agreement shall be interpreted in accordance with the substantive and procedural laws of the State of Arizona, notwithstanding any conflicts of law provision to the contrary.

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

SRP:

By: _____
Printed Name

Signature

Title

Date

Transferor:

By: _____
Company Name Company Code

By: _____
Printed Name Signature

Title Date

Transferee:

By: _____
Company Name Company Code

By: _____
Printed Name Signature

Title Date

Date of SRP District Board Approval/OATT Revision	Description of OATT Revision
March 31, 2008	Revised OATT to incorporate language from FERC Order No. 890.
February 14, 2011	Revised OATT to incorporate modifications, clarifications, and additions to improve customer service, increase efficiency and update terms for transmission services. Revisions included adding Generation Integration Transmission Service, ATTACHMENT K, and updates to the LGIP and LGIA.
February 15, 2016	Revised OATT to incorporate modifications, clarifications, and additions to increase efficiency and update terms for transmission services. Revisions were made to Section 19, attachments relating to the various transmission studies and the LGIP and LGIA.
February 1, 2020	Revised OATT to incorporate (1) language in FERC Order Nos. 845 and 845-A; (2) SRP's participation in CAISO's Western Energy Imbalance Market; (3) transmission services and new operational practices for transmission service; and (4) modifications to the LGIP and LGIA.
August 1, 2022	Revised OATT to incorporate FERC Order No. 881 by adding ATTACHMENT T (Transmission Line Ratings).
July 1, 2023	Revised ATTACHMENT S (Western Energy Imbalance Market) to add Section 8.13.
November 7, 2023	Revised OATT to incorporate the Standard Generator Interconnection Procedures (GIP) and Standard Generator Interconnection Agreements (GIA) for a First Ready First Served process.
January 8, 2024	Revised Appendices 1, 3.1, 3.2, and 3.3 to the GIP to resolve typos, minor errors and make text boxes fillable forms. Clarified language in Sections 5.13 and 6.2 of the SRP GIA.
<u>January 8</u> , 2024	<u>Revised OATT to reflect the change to Flowgate methodology, update Western Energy Imbalance Market current practices, revise Section 23 to clarify resales and transfers, removal of GITS and retail competition language.</u>

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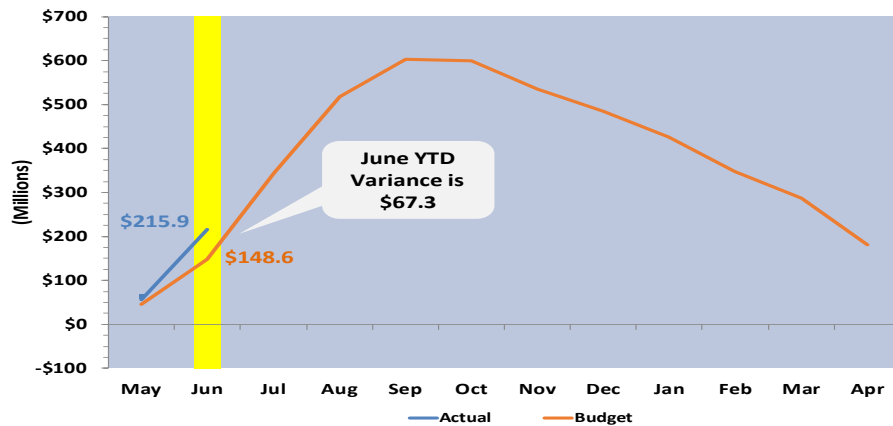
Operating Environment – June 2024

	Actual	Budget	Variance	% of Budget
Elec Customers – June 2024	1,161,701	1,156,729	4,972	100%
Elec Customers - April 2024	1,158,913			
Elec Customers – June 2023	1,136,759			
System Sales GWH	3,561.4	3,272.4	289.0	109%
Wholesale Sales GWH	840.6	729.9	111	115%
Total A.F. Water Delivered	88,186	100,000	(11,814)	88%

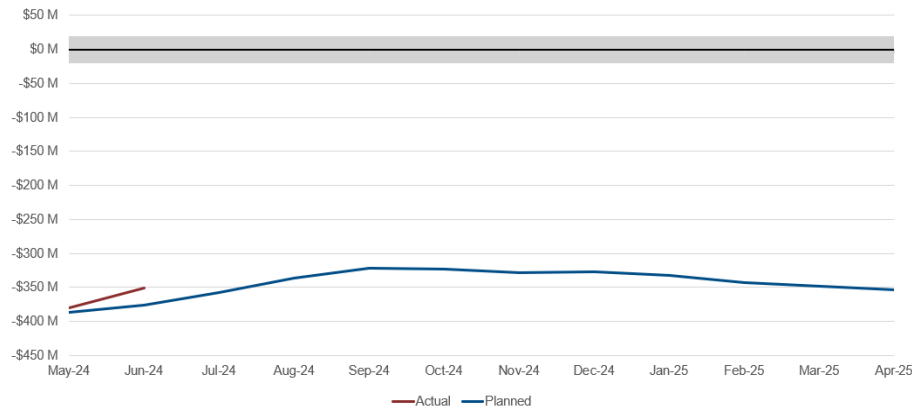
Financial Summary – June 2024

\$ Millions	Actual	Budget	Variance	% of Budget
Combined Revenues	\$491.1	\$444.3	\$46.8	111%
Combined Expenses	\$330.8	\$341.9	(\$11.1)	97%
Comb Net Revs (Loss)	\$160.3	\$102.4	\$57.9	157%
Funds Available	\$197.1	\$140.6	\$56.5	140%
Capital Expenditures	\$99.6	\$131.9	(\$32.3)	76%

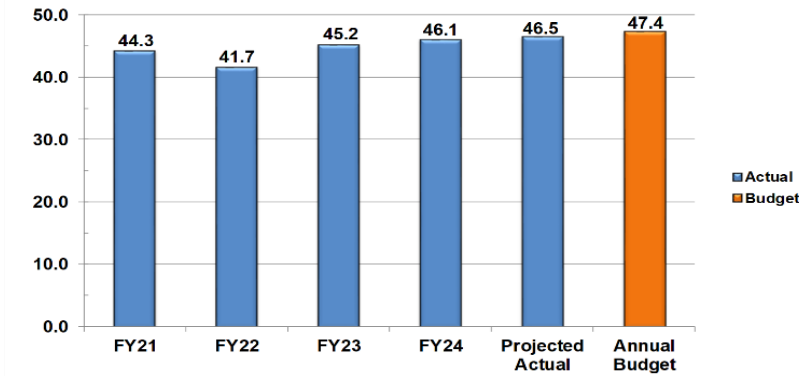
Combined Net Revenues



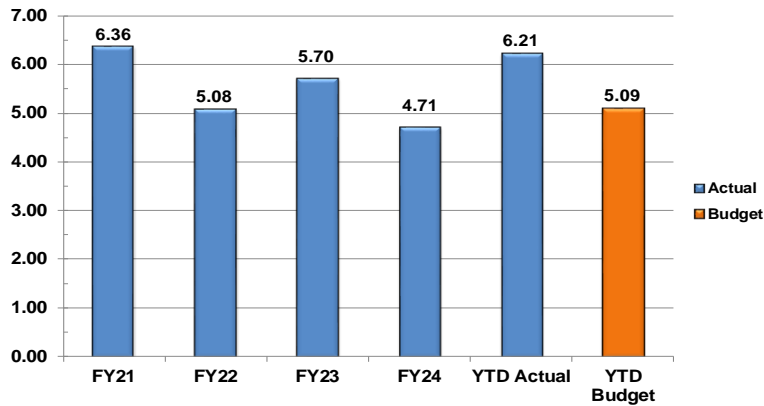
Fuel & Purchased Power Adjustment Mechanism (FPPAM) – June 2024



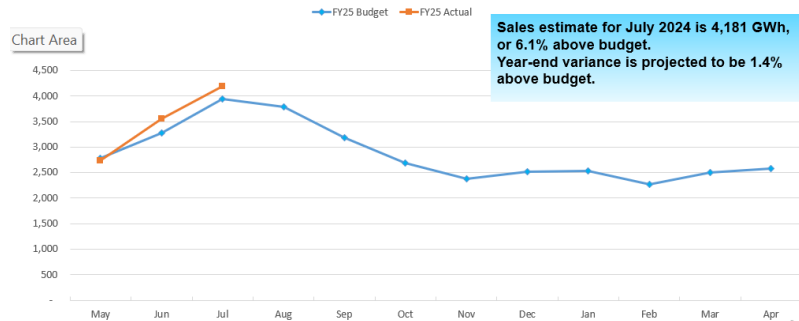
Debt Ratio – Year End Actuals and Projection



Debt Service Coverage Ratio – YTD Through June



Preliminary Retail Sales Estimate Through July 2024



Financial Definitions for Dashboard

Combined Net Revenue

- SRP's "bottom line"
- Comparable to Net Income
- "Combines" SRP's electric and water income statements

Debt Service Coverage Ratio & Debt Ratio

- DSCR = ratio of net cash inflows vs. annual interest & principal payments
- Debt Ratio = percentage of long-life assets paid for with debt

Liquidity (General Fund)

- SRP's checking account
- Days Cash = number of days that SRP can continue to pay its cash expenses without any cash inflow

FPPAM Collection Balance

- Fuel & Purchased Power Adjustment Mechanism
- Recovers the appropriate fuel & purchased costs over time (no more, no less)

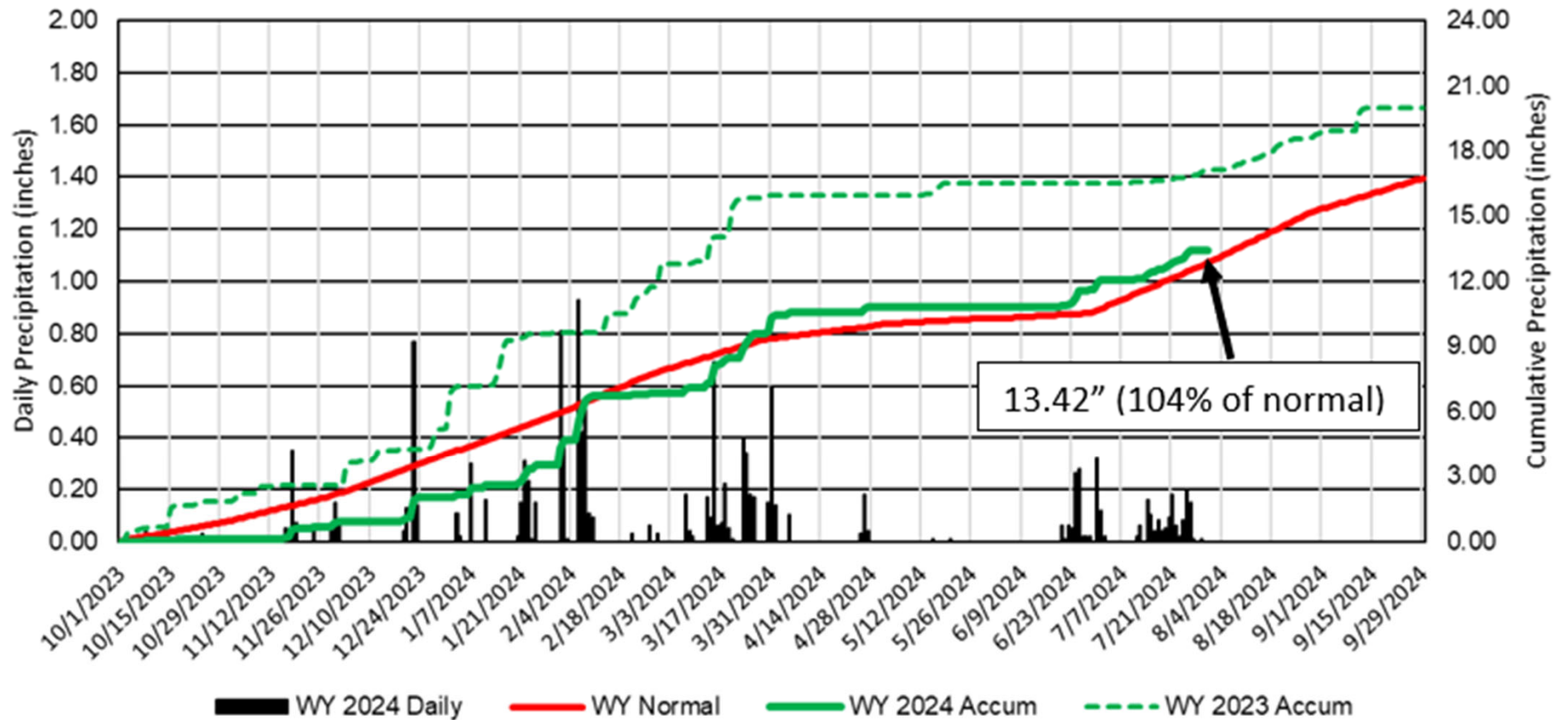
Water Supply and Weather Report

August Council Meeting

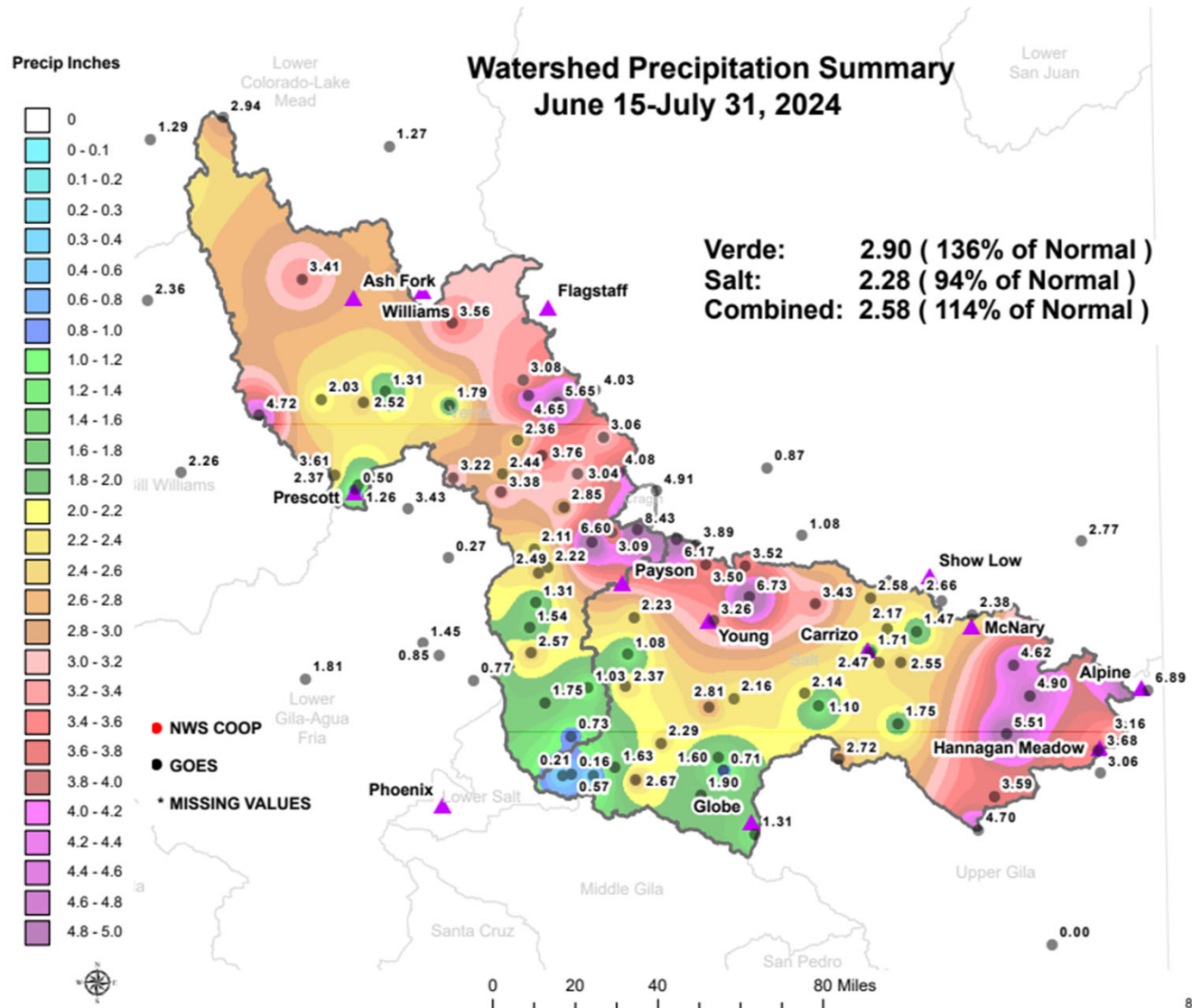
August 6, 2024

Stephen Flora

Cumulative Watershed Precipitation: Water Year (Oct 2023 - Sep 2024)

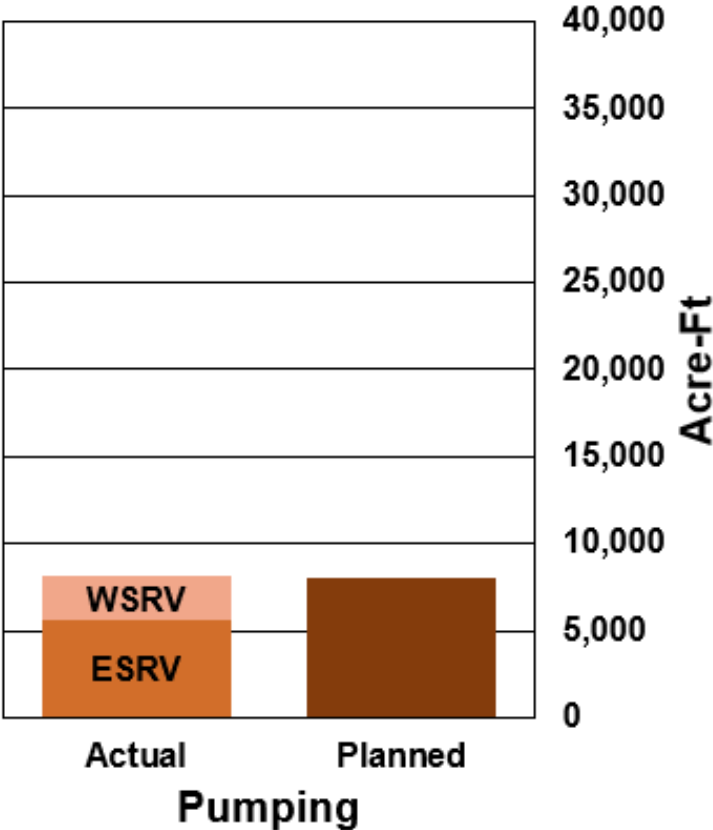
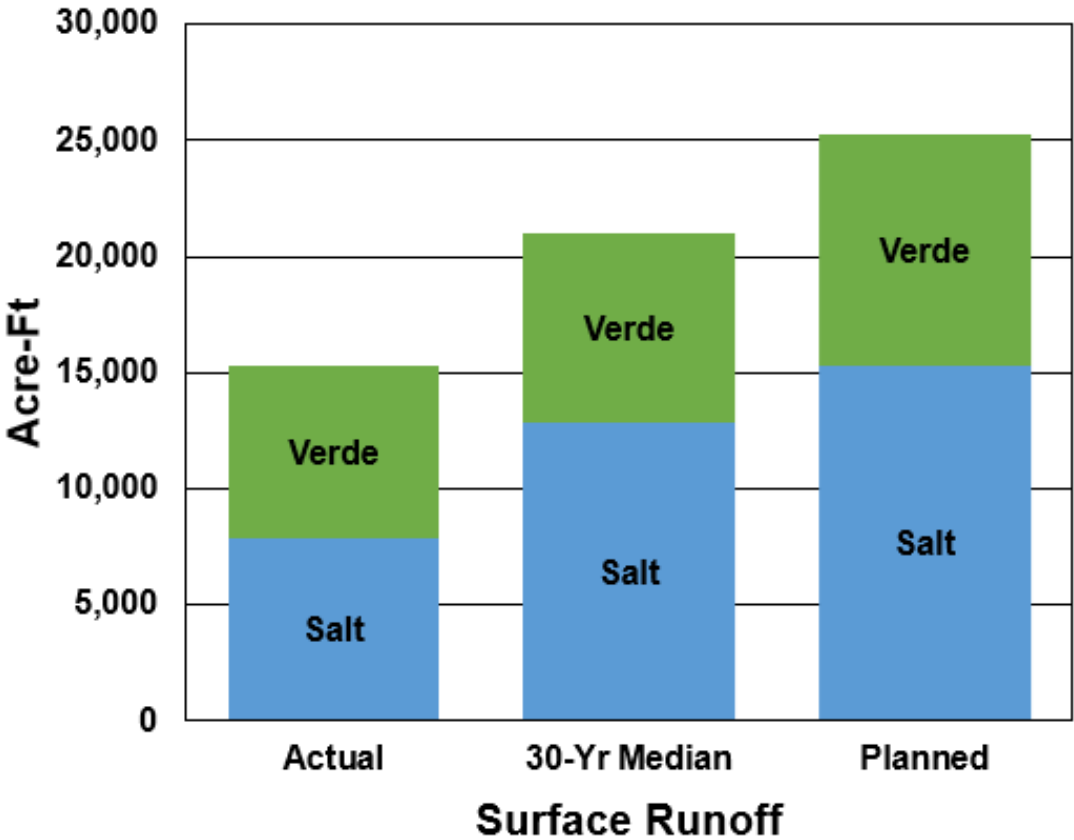


Monsoon Season Precipitation near normal as of August 1



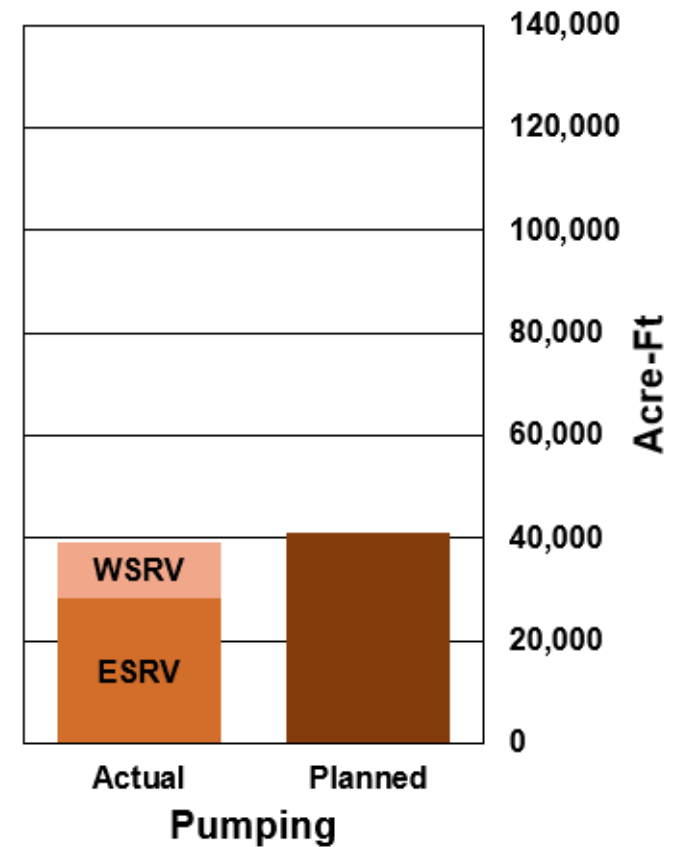
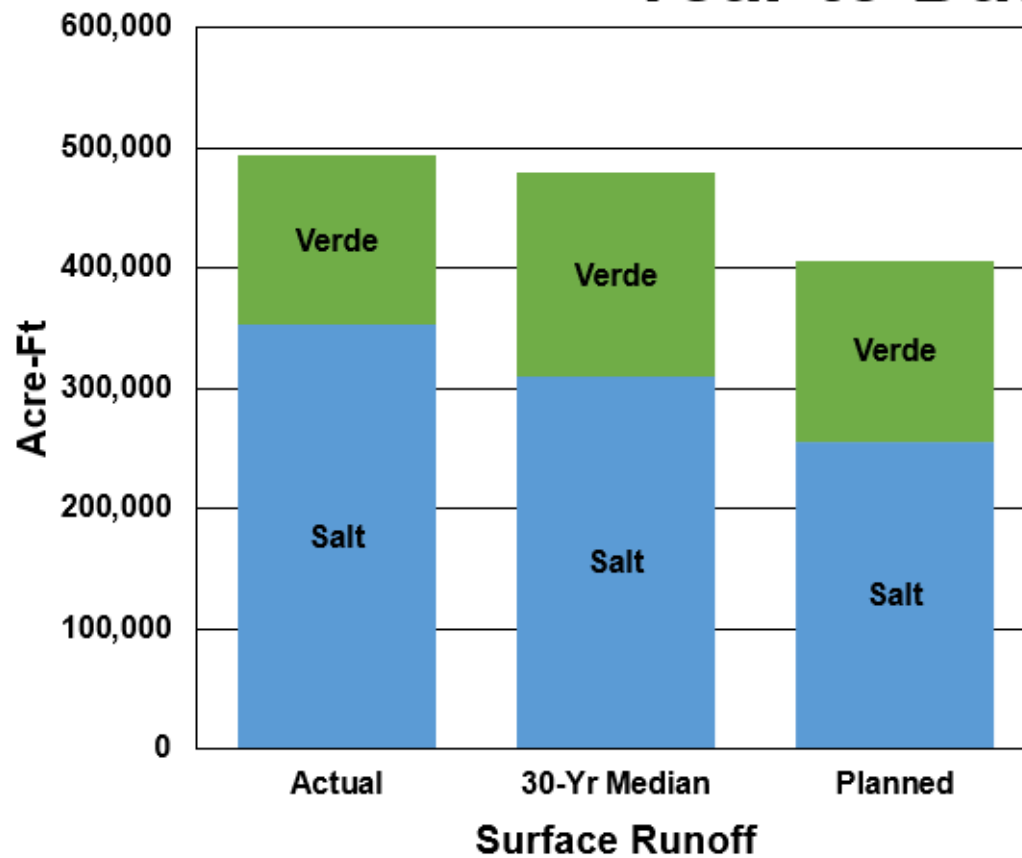
Monsoon Season Runoff
below median as of August 1

July 2024



**Year to Date Runoff
near median**

Year to Date 2024

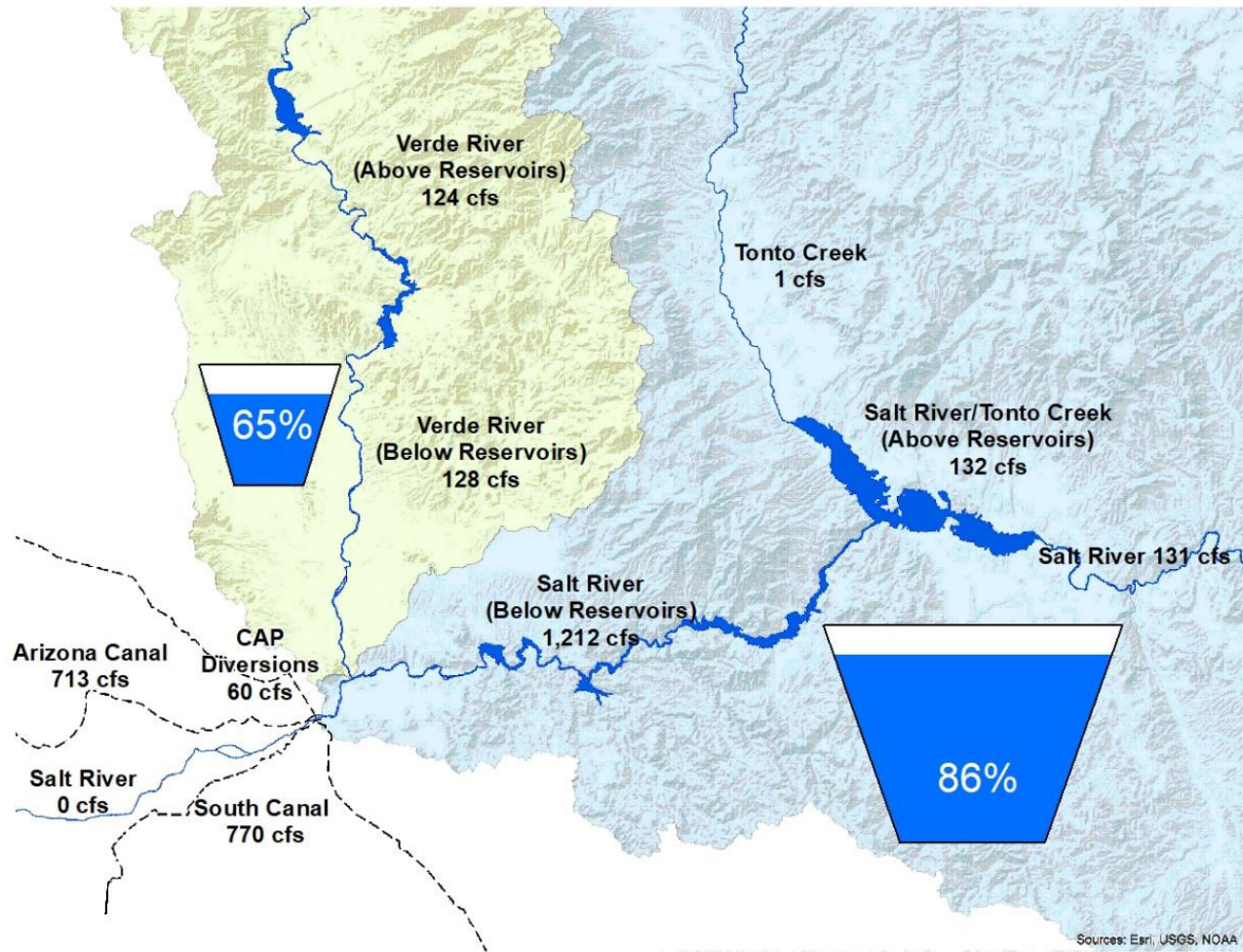


SRP Reservoir System Status

August 1, 2024

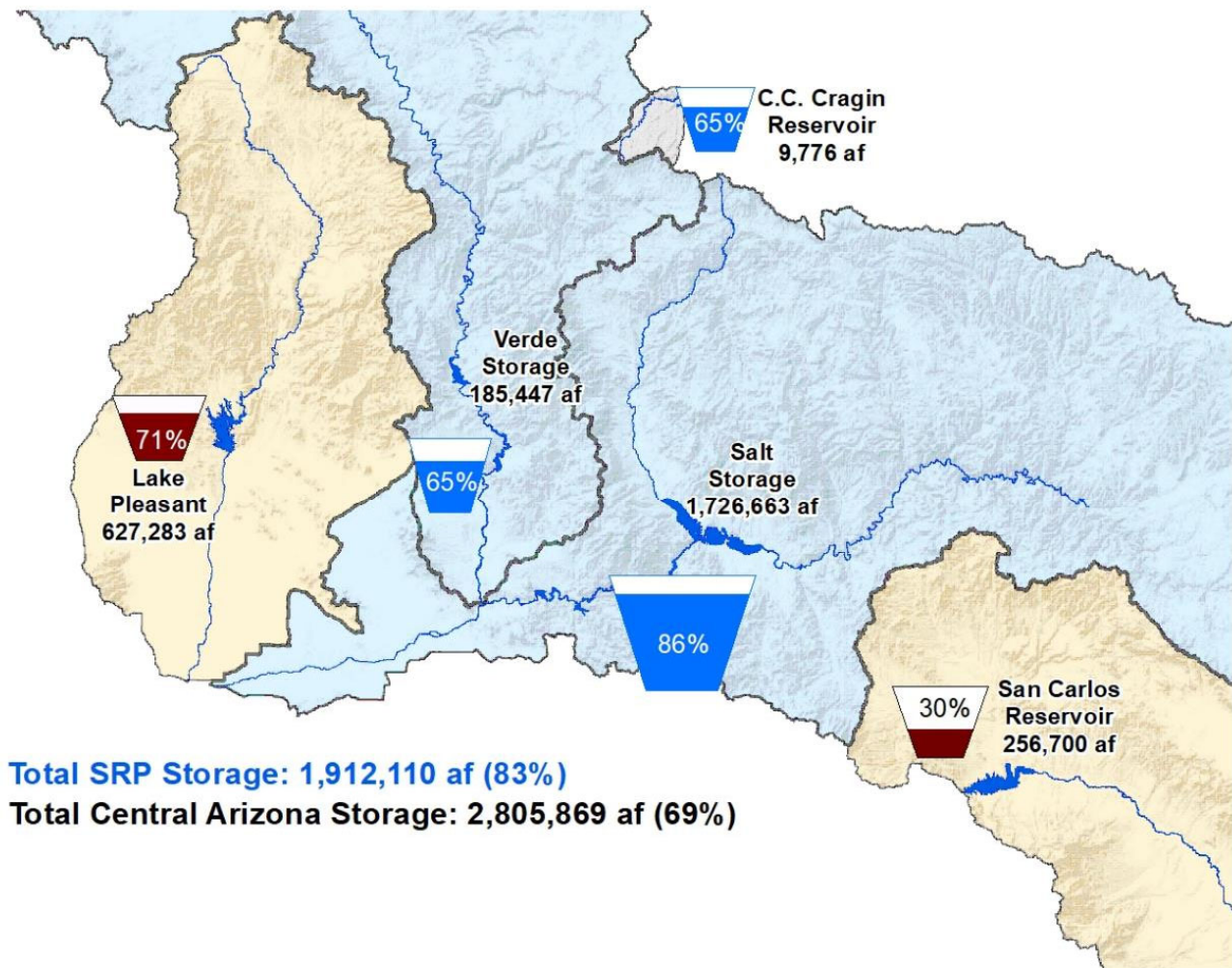
Current Storage:

Salt	1,726,663 AF
Verde	185,447 AF
<hr/>	
Total	1,912,110 AF



Central Arizona Reservoir Status

August 1, 2024



April – July Lake Powell Inflow

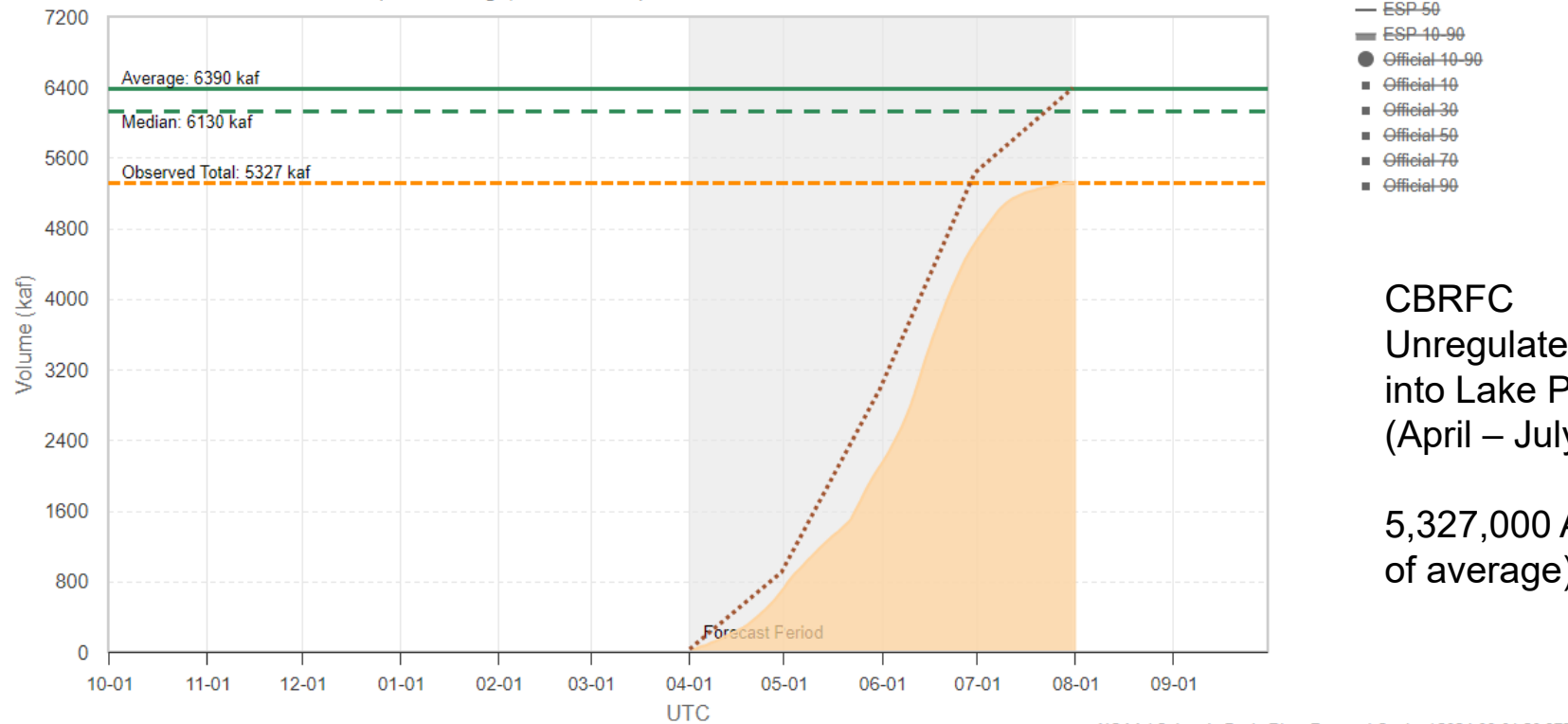
2024 Water Supply Forecast - Colorado - Lake Powell, Glen Cyn Dam, At (GLDA3)

ESP is Unregulated and No Precipitation Forecast Included

Official 50% Fcst (2024-07-15): 5370 kaf (84% Avg, 88% Med), (40% of Yrs Below Fcst, 37 Highest Flow / 60 Tot Yrs)

ESP 50% Fcst (2024-07-31): 5086 kaf (80% Avg, 83% Med), (33% of Yrs Below Fcst, 41 Highest Flow / 60 Tot Yrs)

Observed Volume: 5327 kaf (83% Average, 87% Median)



NOAA / Colorado Basin River Forecast Center / 2024-08-01 20:37Z

CBRFC
Unregulated Inflow
into Lake Powell
(April – July)

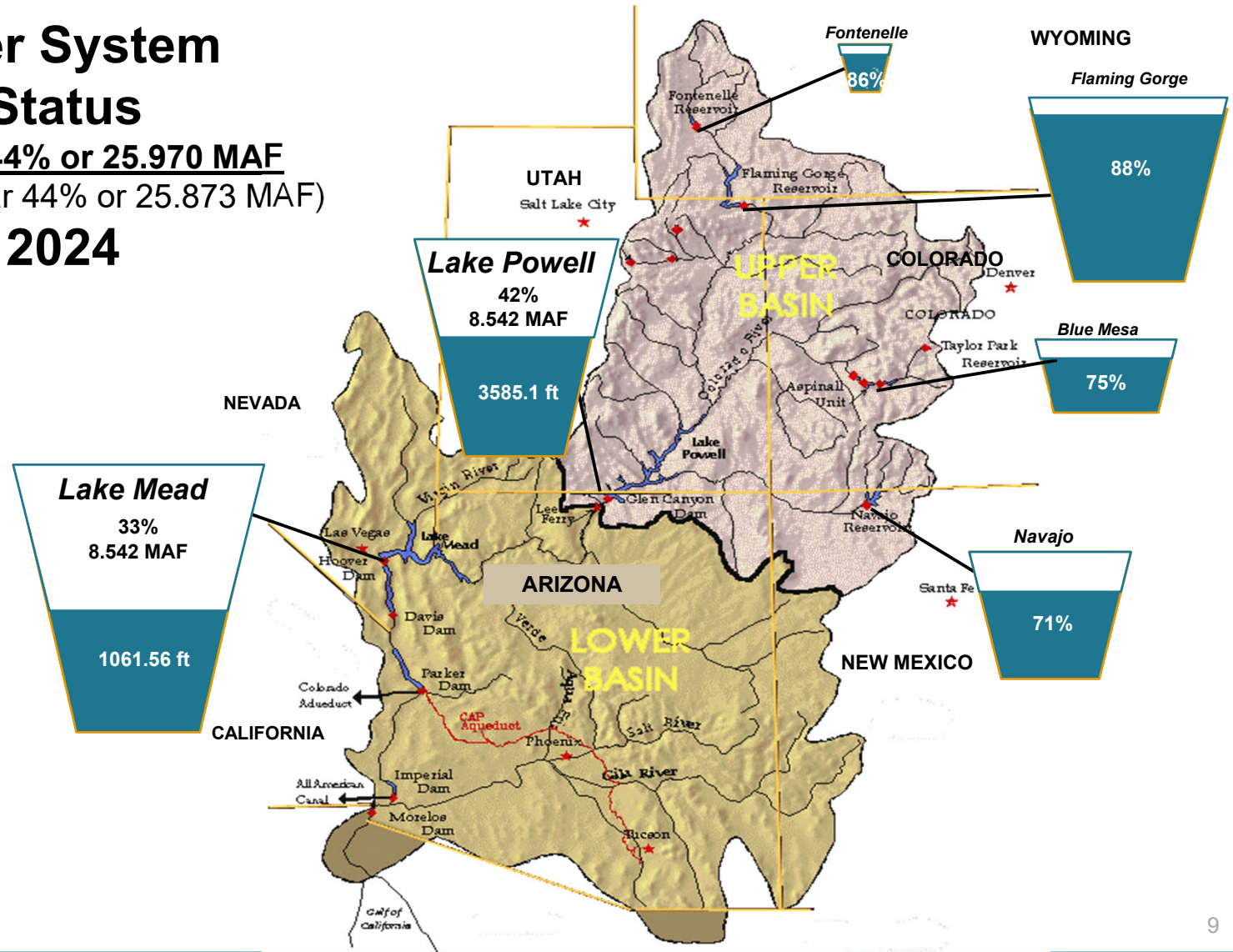
5,327,000 AF (83%
of average)

Colorado River System Reservoir Status

Total System Contents – 44% or 25.970 MAF

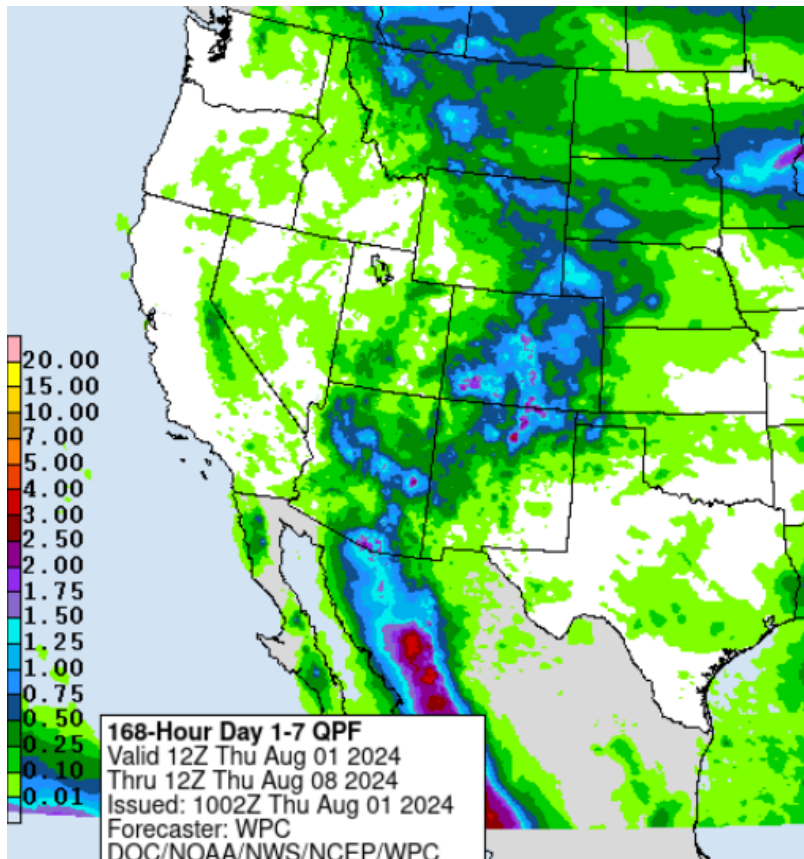
(Total system contents last year 44% or 25.873 MAF)

August 1, 2024

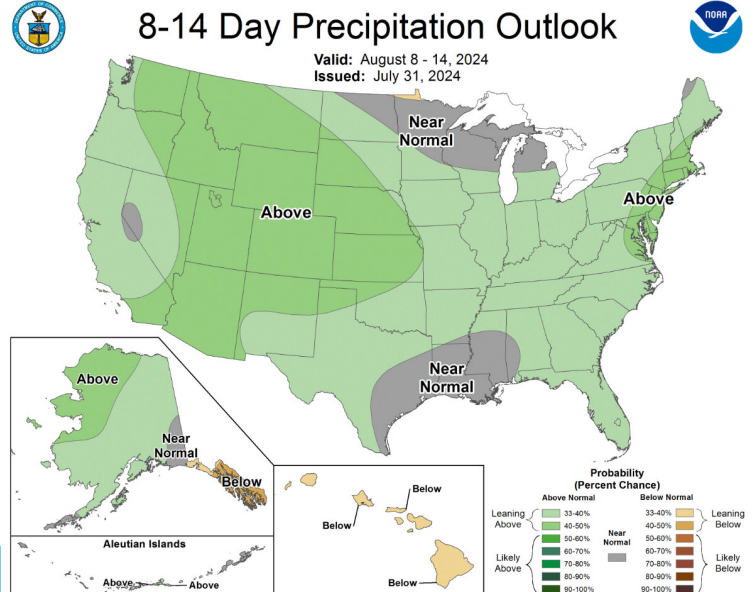
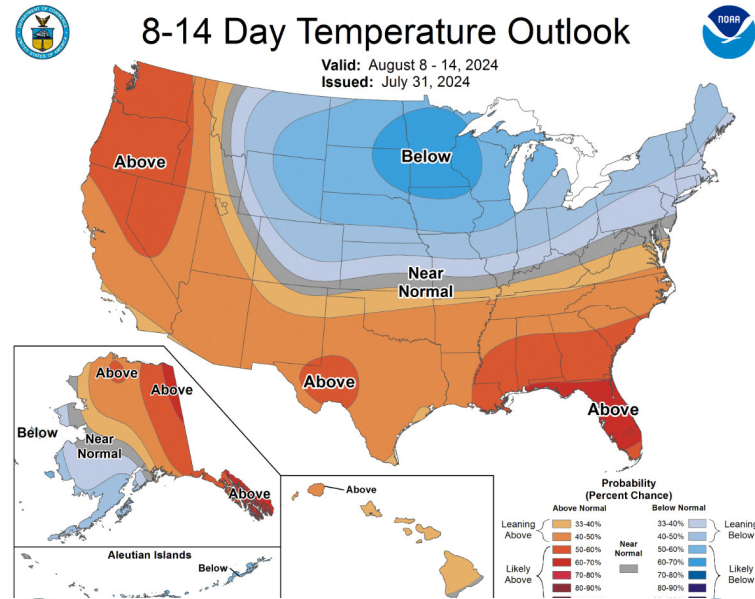


August Weather Outlook

7-day Precipitation Forecast



8/6/2024, Council Meeting, S. Flora



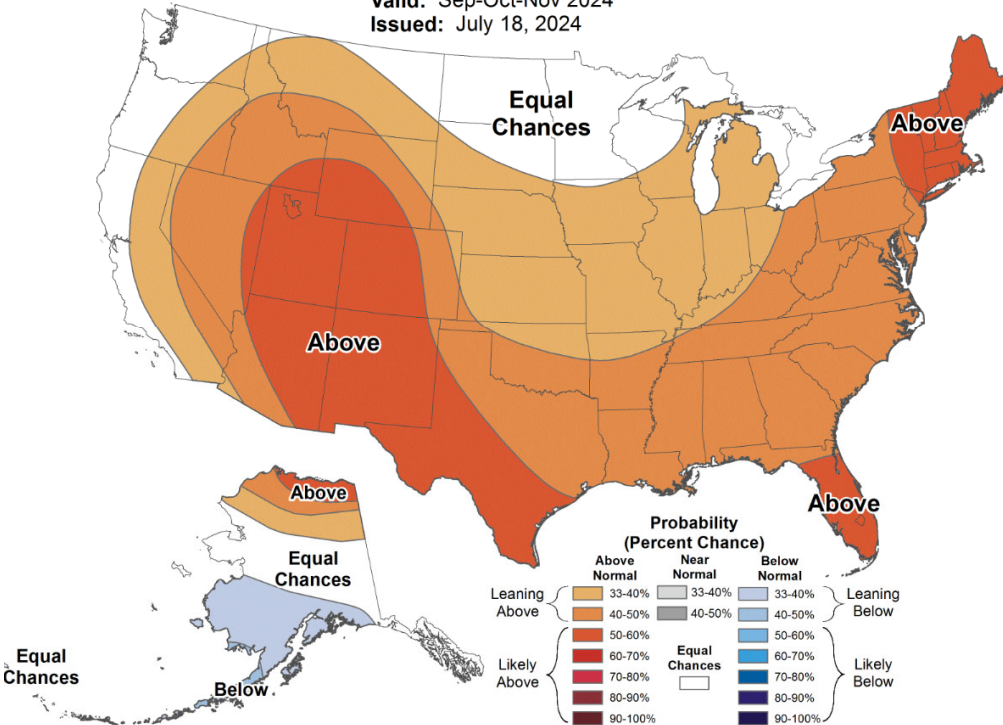
Fall 2024 Seasonal Outlook



Seasonal Temperature Outlook



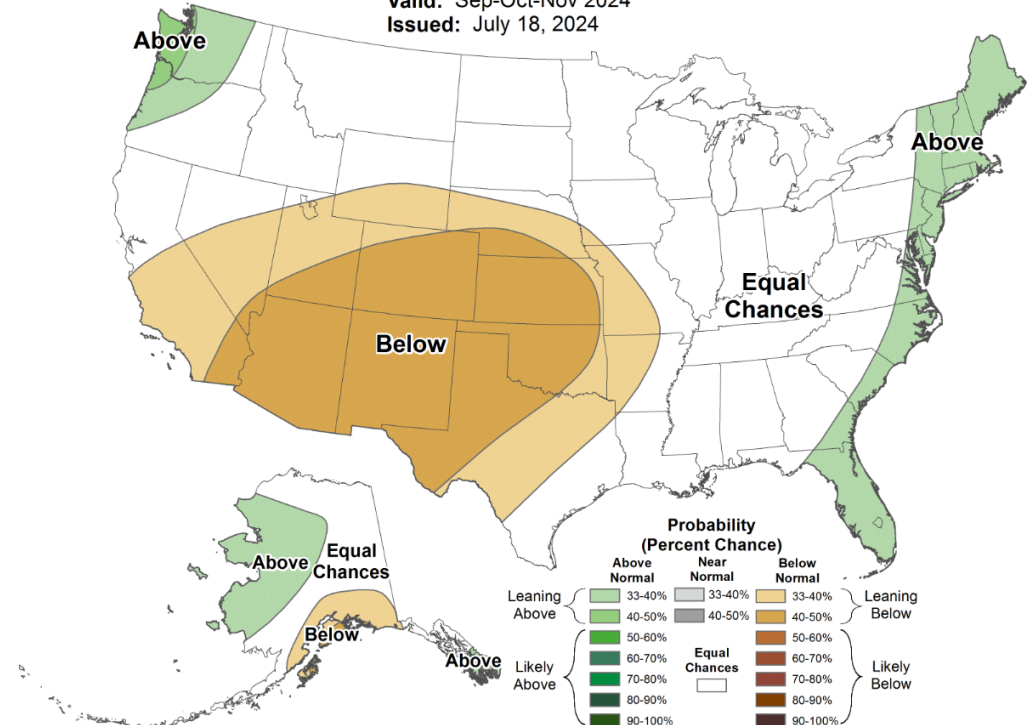
Valid: Sep-Oct-Nov 2024
Issued: July 18, 2024



Seasonal Precipitation Outlook



Valid: Sep-Oct-Nov 2024
Issued: July 18, 2024



ENSO-neutral is expected to continue for the next several months, with La Niña favored to emerge during August-October (70% chance) and persist into the Northern Hemisphere winter 2024-25 (79% chance during November-January) (11 July 2024)

thank you!

