

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

BOARD OF DIRECTORS

Monday, September 9, 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. Customer Utility Panel (CUP) Chairman's Report
.....CUP CHAIR MICHAEL HUTCHINSON
2. **CONSENT AGENDA:** The following agenda item(s) will be considered as a group by the Board of Directors and will be enacted with one motion. There will be no separate discussion of these item(s) unless a Board Member requests, in which event the agenda item(s) will be removed from the Consent Agenda and considered as a separate item PRESIDENT DAVID ROUSSEAU
 - A. Request for approval of the minutes for the meeting of August 5, 2024.
 - B. Request for approval of the Monthly Cash Statements for June and July 2024 (recommended by the Finance and Budget Committee on August 22, 2024).
 - C. Request for approval to contribute \$40,000 to the Arizona Science Center: \$35,000 to support the STEM, Science on Wheels, and more; and \$5,000 to sponsor the 2025 Galaxy Gala event (recommended by the Community Relations Committee on August 22, 2024).
 - D. Request for approval to contribute \$69,349 to the University of Arizona Foundation – College of Engineering to support the STEM clubs, the University of Arizona Solar Tracker Project, Design Day, the Navajo Scrubber Project Scholarship, and the ENGAGED Forever Fund (recommended by the Community Relations Committee on August 22, 2024).
 - E. Request for approval to contribute \$40,000 to the YWCA: \$25,000 to support the Equity in STEAM Initiative; \$10,000 to support the Aging Adult Program; and \$5,000 to sponsor the 2025 Tribute to Leadership event (recommended by the Community Relations Committee on August 22, 2024).
 - F. Request for approval to contribute \$50,000 to St. Vincent De Paul: \$25,000 to support the Heat Relief Outreach; \$15,000 to support the Workforce Development; and \$10,000 to support the Homelessness Prevention (recommended by the Community Relations Committee on August 22, 2024).

- G. Request for approval to contribute \$45,000 to UMOM New Day Centers to support the Family Emergency Shelter Program (recommended by the Community Relations Committee on August 22, 2024).
 - H. Request for approval to contribute \$50,000 to The Salvation Army: \$20,000 to support the East Valley and Metro-Phoenix Heat Relief Efforts; \$20,000 to support the Emergency Rental Assistance Program; and \$10,000 to sponsor the 2024 Silver Bells 130th Anniversary in Arizona event (recommended by the Community Relations Committee on August 22, 2024).
 - I. Request for approval to contribute \$45,000 to A New Leaf: \$35,000 to support the Shelter Programs and the Volunteer Income Tax Assistance (VITA) Program; and \$10,000 to sponsor the 2025 Annual Camaraderie Gala event (recommended by the Community Relations Committee on August 22, 2024).
 - J. Request for approval to contribute \$53,500 to the St. Mary's Food Bank to support equipment for the new volunteer center (recommended by the Community Relations Committee on August 22, 2024).
 - K. Request for approval to contribute \$45,000 to the United Food Bank: \$40,000 to support the Emergency Food Assistance Program; and \$5,000 to sponsor the 2024 Annual Friends of United Food Bank Breakfast event (recommended by the Community Relations Committee on August 22, 2024).
- 3. 2024 SRP Boosters Campaign ALAINA FITZPATRICK
 - 4. Economic Outlook DENNIS HOFFMAN and PAUL BACHMAN
- Informational presentation regarding the national and local economic outlooks with a specific focus on the labor market, consumer spending, inflation, business investment, economic development, near-term economic forecasts, and how these factors may impact SRP's planning, operations, customers, and communities.
- 5. Report of the Water Committee Meeting of August 20, 2024
.....DIRECTOR ROBERT ARNETT

Request for approval for SRP to enter into the water rights settlement agreement to resolve water rights claims of the Yavapai-Apache Nation in Arizona. The Board may vote to go into Executive Session, pursuant to A.R.S. §38-431.03(A)(3) and (A)(4), to discuss or consult with attorneys for legal advice regarding legal issues that may arise during the report.

6. Report of the Compensation Committee Meeting of August 20, 2024
 DIRECTOR MARIO HERRERA

Report on action taken by the Compensation Committee, as fiduciary of Salt River Project Employees' Retirement Plan (the Plan), authorizing Management to update the Plan asset allocation structure and Investment Policy Statement to increase the Fixed Income (Liability Driven Investment) allocation from 30% of plan assets to 35%.

7. Report of the Power Committee Meeting of August 22, 2024
DIRECTOR JACK WHITE JR.

A. Request for approval of proposed revisions to the District's Open Access Transmission Tariff (OATT) to reflect the following: (1) terminology associated with the Western Energy Imbalance Market; (2) improvements to SRP's Transmission Service Agreements; (3) removal of references to retail competition consistent with changes to state statutes; and (4) removal of Generation Integration Transmission Service (GITS) provisions to reflect the District's transition to flow-based transmission scheduling (see proposed resolution).

B. Closed Session, pursuant to A.R.S. §30-805(B), for the Board to consider matters relating to competitive activity, including trade secrets or privileged or confidential commercial or financial information, with respect to a request for approval to enter into a proposed natural gas purchase transaction with JP Morgan for a term of approximately 14 years.

C. Closed Session, Pursuant to A.R.S. §30-805(B), for the Board to consider matters relating to competitive activity, including trade secrets or privileged or confidential commercial or financial information, with respect to a request for approval to purchase the 52-Megawatt (MW) Bonnybrooke Solar Facility from Apple Energy LLC and enter into a related transaction concerning the environmental attributes of that facility.

D. Closed Session, Pursuant to A.R.S. §30-805(B), for the Board to consider matters relating to competitive activity, including trade secrets or privileged or confidential commercial or financial information, with respect to a request for approval of the proposed amendments to the 400 MW CO Bar and 394 MW CO Bar D solar power purchase agreements.

8. Report of the Finance and Budget Committee Meeting of August 22, 2024
DIRECTOR MARK PACE

Request for approval to increase the Fuel and Purchased Power Adjustment Mechanism (FPPAM) prices, applicable to all price plans, effective with the November 2024 billing cycle.

9. Discussion in Response to Director Miller's Questions Regarding a Recent SRP Communication to SRP Employees JIM PRATT
10. Report on Current Events by the General Manager and Chief Executive Officer and Designees JIM PRATT
 - A. Power System JOHN COGGINS
 - B. Finance and Information Services BRIAN KOCH
 - C. Water Stewardship LESLIE MEYERS
11. Reservoir Report / Weather Report STEPHEN FLORA
12. Council Chairman's Report COUNCIL CHAIRMAN ROCKY SHELTON
13. President's Report / Future Agenda Topics PRESIDENT DAVID ROUSSEAU

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

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

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



**THE NEXT BOARD MEETING IS SCHEDULED FOR
MONDAY, OCTOBER 7, 2024**

09/03/2024

SAFETY MINUTE: PREVENT EYE INJURIES

SRP BOARD

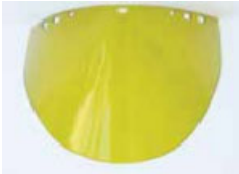
SARA MCCOY
DIRECTOR, RISK MANAGEMENT
SEPTEMBER 9, 2024



Delivering water and power™

PREVENT EYE INJURIES: CONSIDER POTENTIAL HAZARDS

Use the correct eye protection
(prescription lenses?)



Flying
Particles

(lawn care,
chainsaw,
pressure
washer,
grinder,
fireworks)



Bright or UV Light
(welder, laser, sun)



Chemicals, Splashing
(pool care, pesticide, batteries)





MINUTES
BOARD OF DIRECTORS
SALT RIVER PROJECT AGRICULTURAL IMPROVEMENT AND POWER DISTRICT
DRAFT

August 5, 2024

In accordance with a written order and call signed by the President of the Salt River Project Agricultural Improvement and Power District (the District) and filed with Corporate Secretary J.M. Felty, a meeting of the Board of Directors of SRP convened at 9:30 a.m. on Monday, August 5, 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.

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

Tempe, Arizona
July 29, 2024

NOTICE OF MEETING

I, David Rousseau, the duly elected and qualified President of the Salt River Project Agricultural Improvement and Power District (the District), do hereby order a meeting of the Board of Directors to be held at 9:30 a.m. on Monday, August 5, 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 29th day of July 2024.

/s/ David Rousseau
President

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

Board Members present at roll call were President D. Rousseau; and Directors R.C. Arnett, N.R. Brown, C. Clowes, M.J. Herrera, K.J. Johnson, S.D. Kennedy, K.L. Mohr-Almeida, K.H. O'Brien, M.V. Pace, P.E. Rovey, L.C. Williams, and S.H. Williams.

Board Members absent at roll call were Directors R.J. Miller and J.M. White Jr.

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

Council Chairman J.R. Shelton; Council Members E.L. Gorseger, T.S. Naylor, and C. Resch-Geretti; Mmes. I.R. Avalos, K.R. Beranek, M.J. Burger, A.P. Chabrier, L.F. Hobaica, V.P. Kisicki, S.C. McCoy, L.A. Meyers, G.A. Mingura, K.S. Ramaley, J.R. Schuricht, and C.M. Sifuentes; Messrs. L. Arthanari, C.W. Campbell, G.A. Delizio, J.M. Felty, J.W. Hubbard, B.J. Koch, K.J. Lee, A.R. McLaren, M.J. O'Connor, B.A. Olsen, J.M. Pratt, J.I. Riggs, B.G. Shoemaker, P.B. Sigl, J.D. Spradling, R.R. Taylor, and J.C. Tucker; Diane Brown of Arizona Public Interest Research Group (PIRG); Bruce Chapman of Christensen Associates; Autumn Johnson of Tierra Strategy; Taylor Moseley of Wedbush; Alex Routhier of Western Resource Advocates (WRA); Nicholas Wiatrowski of Kiewit; and Jackie Kennedy and Steve Neil, members of the public.

In compliance with A.R.S. §38-431.02, Andrew Davis of the Corporate Secretary's Office had posted a notice and agenda of the meeting of the Board of Directors at the SRP Administration Building, 1500 North Mill Avenue, Tempe, Arizona, at 9:00 a.m. on Friday, August 2, 2024.

Safety Minute

Using a PowerPoint presentation, Sara C. McCoy, SRP Director of Risk Management, provided a safety minute regarding heat stress prevention, including heat stress symptoms and first aid.

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.

Consent Agenda

President D. Rousseau requested a motion for Board approval of the Consent Agenda, in its entirety, as presented.

On a motion duly made by Director M.V. Pace and seconded by Director M.J. Herrera, the Board unanimously approved and adopted the following item on the Consent Agenda:

- Approval of the minutes for the meetings of June 3, June 6, and June 20, 2024

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

YES:	President D. Rousseau; and Directors R.C. Arnett, N.R. Brown, (13) C. Clowes, M.J. Herrera, K.J. Johnson, S.D. Kennedy, K.L. Mohr-Almeida, K.H. O'Brien, M.V. Pace, P.E. Rovey, L.C. Williams, and S.H. Williams	
NO:	None	(0)
ABSTAINED:	None	(0)
ABSENT:	Directors R.J. Miller and J.M. White Jr.	(2)

SRP Resource Plan Implementation

Using a PowerPoint presentation, Bobby A. Olsen, SRP Associate General Manager and Chief Planning, Strategy, and Sustainability Executive, stated that the purpose of the presentation was to provide information regarding the Fiscal Year 2024 (FY24) resource implementation plan and current status of resource development activity to meet customer load requirements and SRP's corporate goals.

Mr. B.A. Olsen reviewed the annual resource planning cycle, the contribution of generation resources to reliability, and key drivers for resource changes. He discussed planned resource additions in the 2024 resource plan. Mr. B.A. Olsen detailed SRP's responsible decarbonization approach, its 2035 lower carbon plan, and coal closure commitments.

Next, Mr. B.A. Olsen stated that SRP's strategies for adding resources, include the following: All Source Requests for Proposals (RFPs), strategic partnerships, and SRP self-build. He provided an overview of SRP's resource action plan reflecting available resources under contract and those being actively developed from FY25 to FY29, and resources planned from FY30 to FY35. Mr. B.A. Olsen provided a summary of current resources in construction, development, or active contract negotiations from FY25 to FY34. He concluded with a discussion of near-term next steps.

Mr. B.A. Olsen responded to questions from the Board.

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.

Murphy Bannerman of WRA entered the meeting during the presentation.

Update on Upcoming Proposed Revenue Bond Sale

Using a PowerPoint presentation, Jon W. Hubbard, SRP Treasurer and Senior Director of Financial Operations and Compliance, stated that the purpose of the presentation was to provide an update regarding the upcoming proposed revenue bond sale.

Mr. J.W. Hubbard reviewed the 6-year District capital spend outlook by segment for Financial Plan 2025 (FP25) and noted that continued SRP growth will require more financing. He discussed the FY25 general fund projection with respect to the proceeds from the bond sale. Mr. J.W. Hubbard provided an overview of the bond sale process and provided an interest rate overview which included data on the AAA rated Municipal Market Data (MMD) rates. He reviewed the current MMD rates and historical range from 1985 through July 29, 2024.

In conclusion, Mr. J.W. Hubbard introduced the potential bond sale team, discussed the parameters under consideration, and provided a Board and Council calendar for the upcoming bond sale.

Mr. J.W. Hubbard responded to questions from the Board.

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

Sam Johnston of Interwest Energy Alliance entered the meeting during the presentation.

Update on Fuel and Purchased Power Adjustment Mechanism (FPPAM) Collection Balance and Projections

Using a PowerPoint presentation, Brandon G. Shoemaker, SRP Director of Corporate Pricing, stated that the purpose of the presentation was to provide information regarding the status of the FPPAM collection balance, including the plan and calendar for management to seek approval of adjustment(s) effective November 2024.

Mr. B.G. Shoemaker explained that the FPPAM allows SRP to adapt to moving fuel and purchased power expenses and adjust the FPPAM price outside of a formal price process with the intention of recovering the appropriate costs over time. He listed the responsibilities for Management and the Board leading to a FPPAM price adjustment.

Mr. B.G. Shoemaker reviewed FPPAM collection balance mechanics with regard to cost and price, including balanced, under-collection, and over-collection. He provided an overview of recent FPPAM balance history and historical pricing action.

Mr. B.G. Shoemaker compared FPPAM price versus expense from FY10 to FY24 and provided the projected FPPAM balance under the current prices.

Mr. B.G. Shoemaker discussed FP25 pricing assumptions and collection projections of multiple pricing scenarios through FY26. He concluded with a review of the proposed FPPAM timeline.

Mr. B.G. Shoemaker responded to questions from the Board.

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

Mark Lewis of the Water Resource Institute entered the meeting during the presentation.

Discussion in Response to Director Miller's Questions
Regarding a Recent SRP Communication to SRP Employees

President D. Rousseau postponed the agenda item regarding a discussion in response to Director Miller's questions regarding a recent SRP communication to SRP employees, due to Director Miller's absence.

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

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.

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

Mr. R.T. Judd entered the meeting during the presentation.

Status of Power System

Using a PowerPoint presentation, Chris W. Campbell, SRP Senior Director of Distribution and Technology Operations, provided an update on SRP's power system. He provided operational updates for June and July 2024, stating that June's customer peak demand of 7,653 Megawatts (MW) occurred on June 27th and that July's customer peak demand of 8,087 MW occurred on July 8th. Mr. C.W. Campbell said that this summer has seen a record heat of 39 days at 110 degrees or higher; 25 days with a minimum temperature in the 90's; an average temperature of 97 degrees in June, making it the hottest June on record. He highlighted that SRP's grid assets performed extremely well during the record heat.

Mr. C.W. Campbell provided an update on the Level 1 Storm damage from July 24th and wildfire impacts. He provided images of recent storm and wildfire damage.

Copies of the handout distributed and PowerPoint slides and 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, provided the following financial definitions: Combined Net Revenue, Debt Service Coverage Ratio and Debt Ratio, Liquidity (General Fund), and FPPAM Collection Balance. He reviewed the financial summary for June 2024 and year-to-date. Mr. B.J. Koch reviewed the preliminary retail energy sales for FY25.

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 Water Resources

Using a PowerPoint presentation, Leslie A. Meyers, SRP Associate General Manager and Chief Water Resources and Services Executive, provided an update on the 2024 Indian Water Rights Settlement. She discussed the upcoming 2025 water exhibit to be displayed at the Arizona Science Center.

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

Mr. S.P. Flora entered the meeting.

Reservoir and Weather Report

Using a PowerPoint presentation, Stephen P. Flora, SRP Senior Hydrologist, reviewed the cumulative watershed precipitation outlook for Water Year 2024 (October 2023 – September 2024) and provided data on Monsoon Season precipitation from June 15 through July 31, 2024. He discussed the surface runoff and pumping data for July 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 August 1, 2024. He concluded with an inflow chart from April through July for Lake Powell, a 7-day precipitation forecast, and the Fall 2024 seasonal 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.

Council Chairman's Report

There was no report by Council Chairman J.R. Shelton.

President's Report/Future Agenda Topics

President D. Rousseau asked the Board if there were any future agenda topics. None were requested.

There being no further business to come before the Board, the meeting was adjourned at 11:48 a.m.

John M. Felty
Corporate Secretary



Statement of Cash Received and Disbursed

June 2024

	(\$000)		
	District	Association	Total Month
	\$	\$	\$
Funds Balance Beginning of Period	512,415	1,168	513,583
Cash Receipts:			
Electric Revenues	314,318	---	314,318
Water Revenues	---	1,356	1,356
Electric Customer Deposits	4,077	---	4,077
Reimbursement on Joint Ownership Projects	21,905	---	21,905
Construction Contributions and Advances	61,787	---	61,787
Proceeds from Bond Sales	---	---	---
Proceeds from Other Borrowings	---	---	---
Transfers from Segregated Funds	19,545	---	19,545
Sales Tax Collected	27,828	---	27,828
Other Cash Receipts	10,575	---	10,575
Total Cash Receipts	460,035	1,356	461,391
Fund Transfers - Net	(3,559)	3,559	---
Cash Disbursements:			
Purchased Power and Fuel	89,782	---	89,782
Operations and Maintenance	83,586	2,247	85,833
Employee Payroll and Payroll Taxes	51,028	3,663	54,691
Purchased Inventory	24,869	---	24,869
Cash Segregated for -			
Bond Interest	19,870	---	19,870
Bond Principal	9,898	---	9,898
Other Debt - Principal Repayment	---	---	---
Other Debt - Interest Expense	3,346	---	3,346
Capital Expenditures	50,219	---	50,219
Advances on Joint Ownership Projects	---	---	---
Transfers to Segregated Funds	19,920	---	19,920
In Lieu and Ad Valorem Taxes	---	---	---
Sales Tax Remitted	31,207	---	31,207
Margin and Collateral Disbursed - Net	(1,109)	---	(1,109)
Miscellaneous Cash Disbursements	12,394	---	12,394
Total Cash Disbursements	395,010	5,910	400,920
Funds Balance End of Period	573,881	173	574,054



Cash Position

June 2024

	((\$000))		
	District	Association	Total
Composition of Funds Balance			
Cash and Cash Equivalents	\$ 279,216	\$ 173	\$ 279,389
Other Temporary Investments	167,965	---	167,965
Other Non-Current Investments	126,700	---	126,700
General Fund	573,881	173	574,054
Segregated Funds			
Electric System Debt Reserve Fund	80,337	---	80,337
Debt Service Fund	162,436	---	162,436
Rate Stabilization Fund	---	---	---
Nuclear Decommissioning Fund	666,319	---	666,319
Post-Retirement Benefits Fund	1,265,104	---	1,265,104
Construction Fund	15	---	15
RHCP Fund	12,838	---	12,838
HHCP Fund	8,776	---	8,776
SPRHCP Fund	3,622	---	3,622
Four Corners Mine Reclamation Trust	14,383	---	14,383
Other Special Funds	2,182	---	2,182
Total Segregated Funds	\$ 2,216,012	\$ ---	\$ 2,216,012

(000\$)

	District	Association	Total Month	Year-to-Date
Funds Balance Beginning of Period	\$ 573,881	\$ 173	\$ 574,054	\$ 785,829
Cash Receipts:				
Electric Revenues	426,315	---	426,315	1,002,494
Water Revenues	---	1,024	1,024	3,505
Electric Customer Deposits	4,794	---	4,794	12,744
Reimbursement on Joint Ownership Projects	4,674	---	4,674	36,872
Construction Contributions and Advances	18,307	---	18,307	107,729
Proceeds from Bond Sales	---	---	---	---
Proceeds from Other Borrowings	---	---	---	---
Transfers from Segregated Funds	99,677	---	99,677	119,222
Sales Tax Collected	41,091	---	41,091	91,140
Other Cash Receipts	5,743	---	5,743	32,686
Total Cash Receipts	600,601	1,024	601,625	1,406,392
Fund Transfers - Net	(3,524)	3,524	---	---
Cash Disbursements:				
Purchased Power and Fuel	117,648	---	117,648	314,537
Operations and Maintenance	83,495	1,346	84,841	292,619
Employee Payroll and Payroll Taxes	50,410	3,279	53,689	191,091
Purchased Inventory	17,895	---	17,895	70,368
Cash Segregated for -				
Bond Interest	19,253	---	19,253	58,993
Bond Principal	9,898	---	9,898	29,694
Other Debt - Principal Repayment	---	---	---	---
Other Debt - Interest Expense	1,583	---	1,583	6,100
Capital Expenditures	69,260	---	69,260	284,956
Advances on Joint Ownership Projects	---	---	---	---
Transfers to Segregated Funds	99,677	---	99,677	119,597
In Lieu and Ad Valorem Taxes	---	---	---	60,006
Sales Tax Remitted	19,998	---	19,998	68,831
Margin and Collateral Disbursed - Net	14,846	---	14,846	14,999
Miscellaneous Cash Disbursements	897	---	897	14,236
Total Cash Disbursements	504,860	4,625	509,485	1,526,027
Funds Balance End of Period	\$ 666,098	\$ 96	\$ 666,194	\$ 666,194



Cash Position

July 2024

	(\$000)		
	District	Association	Total
Composition of Funds Balance			
Cash and Cash Equivalents	\$ 409,178	\$ 96	\$ 409,274
Other Temporary Investments	130,220	---	130,220
Other Non-Current Investments	126,700	---	126,700
General Fund	666,098	96	666,194
Segregated Funds			
Electric System Debt Reserve Fund	80,612	---	80,612
Debt Service Fund	91,910	---	91,910
Rate Stabilization Fund	---	---	---
Nuclear Decommissioning Fund	676,447	---	676,447
Post-Retirement Benefits Fund	1,303,856	---	1,303,856
Construction Fund	15	---	15
RHCP Fund	12,635	---	12,635
HHCP Fund	8,816	---	8,816
SPRHCP Fund	3,640	---	3,640
Four Corners Mine Reclamation Trust	15,504	---	15,504
Other Special Funds	2,180	---	2,180
Total Segregated Funds	\$ 2,195,615	\$ ---	\$ 2,195,615

AGENDA



August 14, 2024

Corporate Contributions

Committee

1. **Call to Order**..... MS. CHABRIER

2. **Safety Minute**MS. RICKARD

3. **Community Partnerships Grant Renewals and Requests –**

(Grant recommendations of over \$25,001 or more including renewals) MS. RICKARD

Arizona Science Center

University of Arizona Foundation: College of Engineering

YWCA

St. Vincent De Paul

UMOM

The Salvation Army

A New Leaf

St. Mary's Food Bank

United Food Bank

4. **Chairman's Report**

5. **Adjournment**

EXECUTIVE SUMMARY



Corporate Contributions Committee Items for Approval

August 14, 2024

Organization	Amount Requested	Previous Year Contribution	Focus Area	SRP Employee on Board
Arizona Science Center	\$40,000	\$35,000	Education	Chris Campbell
University of Arizona Foundation: College of Engineering	\$69,349	\$66,774	Education	Chris Campbell
YWCA	\$40,000	\$42,500	Education / Basic Needs	N/A
St. Vincent De Paul	\$50,000	\$45,000	Basic Needs	N/A
UMOM	\$45,000	\$130,000	Basic Needs	Reuben Judd
The Salvation Army	\$50,000	\$35,000	Basic Needs	Kim Humphrey / Michael Mendonca
A New Leaf	\$45,000	\$45,000	Basic Needs	Christina Worden
St. Mary's Food Bank	\$53,500	\$50,000	Basic Needs	N/A
United Food Bank	\$45,000	\$40,000	Basic Needs	Kisshell Wilson

Note: Detailed descriptions for each item included in appendix.

Organization: Arizona Science Center

Amount Recommended: \$40,000

Description: The mission of the Arizona Science Center (ASC) is to inspire, educate and engage curious minds through science. ASC serves over 600,000 adults, students, educators, and families through its on-site, virtual, and statewide, off-site programs annually. As part of SRP's ongoing support of ASC's STEM Education project, we will sponsor the upcoming Skeletons: The Wonders Within Exhibition, Girls in STEM Initiative, Science on Wheels, and the Galaxy Gala.

Skeletons: The Wonders Within Exhibition will invite ASC guests to an immersive exploration of skeletons and will provide complimentary education resources for Arizona educators to incorporate into class field trips including pre- and post-visit activities. The Girls in STEM Initiative has a variety of programs throughout the year for girls in 4th-8th grade to work together to solve engineering-design problems and connect with women in STEM careers. SRP funding will impact 2,500 girls through this program. Science on Wheels helps support STEM teaching in the classroom through over 80 distinct STEM lessons teachers can choose from. These programs are especially useful in rural and low-income areas where visiting ASC is difficult. Funding from the Galaxy Gala supports continued STEM learning throughout Arizona.

The increased funding supports additional need for the STEM education programs and exhibition.

Board Member: Chris Campbell, Sr. Director, Distribution and Technology Operations

Comparatives:

- APS (between \$25,000 - \$49,999)
- U.S. Bank (between \$25,000 - \$49,999)
- Blue Cross Blue Shield of Arizona (between \$15,000 - \$24,999)
- Intel (between \$15,000 - \$24,999)

Organization: University of Arizona Foundation: College of Engineering

Amount Recommended: \$69,349

Description: The University of Arizona College of Engineering works continuously to improve quality of life through excellence in education, research, and service and by fostering the next generation of adaptive leaders and life-long learners. As part of SRP's ongoing partnership, we will support student STEM clubs, the U of A Solar Tracker Project, Design Day, the Navajo Scrubber Project Scholarship, and the ENGAGED Forever Fund.

SRP funds will support 5 engineering clubs that each have potential connection to future SRP employees in engineering (Engineering Student Council, American Society of Mechanical Engineers, American Society of Civil Engineers, Society of Women Engineers, Institute of Electrical and Electronics Engineers and the General Engineering Student Club), the Solar Tracker Project is a first year design program culminating in the Design Day experience where students showcase final design projects. The Navajo Scrubber Project Scholarship was created in 1998 to support students with Navajo Nation citizenship and the ENGAGED program (ENGINEERING Access, Greater Equity and Diversity) is focused on recruitment and retention of historically underrepresented students in Engineering.

The increased funding is due to increased support for the Navajo Scrubber Project Scholarship to meet the new endowment levels at the University of Arizona.

Board Member: Chris Campbell, Sr. Director, Distribution and Technology Operations

Comparatives: Donor list private



Organization: YWCA

Amount Recommended: \$40,000

Description: YWCA Metropolitan Phoenix is a social services organization that has been operating since 1912, providing crucial services to better the lives of individuals in the greater Phoenix area. YWCA is requesting SRP provide support for Equity in STEAM, Senior Meal Program, and annual fundraiser.

The Equity in STEAM initiative is intended to advance women and people of color across STEAM careers, to improve representation in STEAM statewide and invites nonprofit organizations, public schools, and charter schools to apply to receive funding for their STEAM projects and participate in a learning community. SRP funding supports grant administration, programming, and event costs for this initiative.

YWCA delivers nutritious meals to seniors through the Meals on Wheels program. Senior meals are also provided through congregate lunch meals at four convenient locations throughout Glendale.

Board Member: N/A

Comparatives:

- Intel \$100,000
- Bank of America \$25,000
- Cox Charities \$5,000

Organization: St. Vincent De Paul, Diocese Phoenix

Amount Recommended: \$50,000

Description: St. Vincent de Paul (SVDP) is requesting that SRP provide support for its Homelessness Prevention, Workforce Development & Heat Relief Programs. These programs are needed more than ever as increases in the cost of living combined with a severe lack of affordable housing have led to rising instability and homelessness in our community. Prevention is key and as of April 2024 SVDP has helped nearly 700 families remained housed. SVDP programs provide a wrap-around approach to help individuals and families move toward long-term stability through services including employment programs. In the last 6 months, SVDP supported 110 participants resulting in 63 graduates who transitioned into the workforce/housing.

During the summer months, SVDP provides heat relief community support through daytime heat respite shelters and street outreach providing food, water, and hygiene services to homeless individuals. SVDP anticipates a distribution totaling more than 700,000 water bottles. In the Valley, SVDP expects to serve at least 86,250 visits to its various heat respite centers and mobile units. SRP's support of SVDP's Heat Relief program is in line with SRP's efforts to support heat relief initiatives.

Lastly, Community Partnerships is considering additional potential opportunities with SVDP in SRP impact areas in the Verde Valley.



Board Member: N/A

Comparatives:

• APS	\$200,000
• Albertsons	\$65,000
• Bank of America	\$30,000
• Desert Financial Credit Union	\$43,000

Organization: UMOM

Amount Recommended: \$45,000

Description: UMOM is requesting that SRP provide continued support for its Family Emergency Shelter Program. Last year, UMOM served more than 13,000 clients through these programs with 51% of the clients being under 18 years of age. The core services of the shelter program include one-on-one case management; employment services; advocacy with property management companies and landlords, connection to community resources; and supportive services for children and youth. UMOM has nine affordable housing complexes and is committed to adding new affordable housing to meet the community's high housing needs. Currently, there are 250 homeless families on six-week wait lists for shelters in Maricopa County. The January 2024 Point in Time (PIT) Homeless Count identified 9,435 individuals experiencing homelessness in Maricopa County, a minor decrease of 2% over the last year.

Board Member: Reuben Judd, Corporate Auditor

Comparatives:

• Bank of America	\$30,000
• BOK Financial	\$28,000
• Blue Cross Blue Shield	\$121,000
• Republic Services	\$150,000

Organization: The Salvation Army (East Valley & Metro Phoenix)

Amount Recommended: \$50,000

Description: The Salvation Army activates heat relief efforts and cooling stations throughout the Valley in response to excessive heat warnings issued by the National Weather Service. Day Respite Centers provide access to free hygiene items, laundry and shower facilities, and meals. These centers are open daily (except Sundays) from 9am-7pm beginning in May through September. Cooling stations are open to the public on excessively hot days and provide free cold bottled water along with heat relief items. A mobile hydration unit is also dispatched to areas frequented by homeless individuals.

The Salvation Army is also requesting support for the Emergency Assistance Program (EAP) which provides families and individuals experiencing a financial crisis support for rent, utilities,



food, clothing, prescriptions, transportation, and other necessities. Most services are provided on a one-time basis, and those with on-going needs are referred to other resources. Lastly, The Salvation Army is requesting sponsorship of their milestone 130th Anniversary Silver Bells Gala which will be held on November 2024.

Board Member: Kim Humphrey, Director, Power Delivery (Metro Phoenix), Michael Mendonca, Sr. Director, Water Strategic Services (East Valley)

Comparatives:

• APS	\$70,000
• Coca Cola	\$50,000
• Cox	\$20,000
• GM Financial	\$30,000

Organization: A New Leaf

Amount Recommended: \$45,000

Description: A New Leaf is requesting that SRP provide support for its shelter programs, Volunteer Income Tax Assistance (VITA) Program and annual fundraising event. A New Leaf's Shelter Programs provide approximately 80,000 nights of shelter for 1,700 adults and children each year who are experiencing domestic violence and/or homelessness. A New Leaf programs provide a wrap-around approach to help individuals and families move toward long-term stability through services including employment support, housing navigation, legal aid, financial wellness, health services, and referrals to other needed community resources.

A New Leaf acquired Homeward Bound, a homeless shelter and early childhood education nonprofit. Homeward Bound will operate as a subsidiary of A New Leaf, maintaining its own 501(c)3 status. A separate request for continued support will be made for Homeward Bound.

Board Member: Christina Worden, Supervisor, PIC Administrator

Comparatives:

• APS	\$10,000
• Discover Financial	\$45,000
• Intel	\$20,000
• Wells Fargo	\$85,000

Organization: St. Mary's Food Bank

Amount Recommended: \$53,500

Description: St. Mary's is requesting that SRP support the purchase of new equipment including 10 conveyer belts and two stretch wrap machines. The conveyor belts are used by volunteers and staff to prepare over 800,000 Emergency Food Boxes (EFB). As volunteers make EFBs, boxes are stacked onto pallets and wrapped in plastic to ensure items are not



damaged in transit. Currently, volunteers or staff members manually wrap the boxes on each pallet before they are loaded onto trucks. The new machines will help to create efficiencies by saving a substantial amount of time and labor costs to complete this task. St. Mary's is moving its Volunteer Center and needs new equipment for its location. The improved Volunteer Center will be air conditioned and heated helping to create a new experience for volunteers. SRP's support will assist St. Mary's efforts to retain and recruit new volunteers. St. Mary's continues to support the community at a high level as inflation continues to impact food costs for families. St. Mary's is the largest food bank in Arizona and serves 9 out of 15 of Arizona's counties. St. Mary's distributes more than 90 million pounds of fresh, perishable, and nonperishable food annually.

Board Member: N/A

Comparatives:

• APS	\$20,000
• Fry's	\$40,000
• MUFG Union Bank	\$62,000
• Nationwide	\$65,000

Organization: United Food Bank

Amount Recommended: \$45,000

Description: United Food Bank (UFB) is requesting that SRP provide continued support for its Emergency Food Assistance program and its annual fundraiser. In 2023, UFB served over 2.5 million Arizonans, rescuing, sourcing and distribution more than 22 million pounds of food. UFB provides food to over 150 partner agencies that offer emergency hunger relief services to children, youth and adults that may be low income, unhoused or in crisis. An increase in community requests combined with inflation and reduced support from federal funding and partners have created an increase in operating costs of 15% for UFB over the last year. Partner agencies such as grocery stores have decreased their donations to food banks as they reduce the amount of food purchased to save costs.

Board Member: Kisshell Wilson, Director, Water Information Technology Services

Comparatives:

• APS	\$15,000
• Bank of America	\$10,000
• Costco	\$52,758
• Wells Fargo	\$40,000



Corporate Contributions Budget Summary

FY25 Valley Year-to-Date Actuals (May 1, 2024 – August 1, 2024)

Priority Area	Budget	YTD Actuals	Remaining Budget
Basic Needs	\$2,031,930	\$266,500	\$1,765,430
Education	\$1,520,698	\$200,545	\$1,320,153
Arts & Culture	\$716,500	\$24,854	\$691,646
Civic Engagement	\$334,000	\$9,750	\$324,250
Environmental	\$159,500	\$0	\$159,500



Organization

***Organization Category:** Arts and Culture
Official Name: ARIZONA SCIENCE CENTER
***Legal Name:** Arizona Science Center
***Address:** 600 E. Washington St.
Address 2:
***City:** Phoenix
***State:** Arizona
***Zip/Postal Code:** 85004
***Main Telephone:** 602-716-2000
***Main Email Address:** stewartt@azscience.org
***Website Address:** www.azscience.org
***Executive Director Name:** Guy Labine
***Executive Director Phone Number:** 602-716-2015
***Executive Director Email Address:** labineg@azscience.org

Proposal

***Request Owner:** Karla Esparza
Request Source: External (Submitted 06/26/2024)
Proposal Type: General Grant Application
***Determination Status:** Scheduled for Committee
Strategy:
Organization Category: Education
Type of Request: Annual
Project Title: Arizona Science Center's STEM Education Programs: Girls in STEM and Science on Wheels, Skeletons: The Wonders Within Exhibition, and Galaxy Gala 2025
In-Kind Request?: No
Request Amount: \$40,000.00
Requested Cash Amount: \$40,000.00
Cash Recommended:
In-Kind Recommended: \$0.00
Describe Mission/Geographic Impact : The mission of Arizona Science Center (ASC) is to inspire, educate and engage curious minds through science. Using a hands-on approach to science exploration, ASC uses its 184,000 square feet of gallery space, over 300 hands-on exhibits, traveling exhibitions, live daily demonstrations, state-of-the-art giant screen theater, and planetarium to spark interest in science among its visitors. Additional learning opportunities and experiences include professional development services for educators, community Science, Technology, Engineering and Math (STEM) outreach programs, afterschool STEM clubs, standards-aligned field trips, camps, public workshops, adult programming, CREATE makerspace and online learning resources. ASC serves over 600,000 adults, students, educators, and families through its on-site, virtual and statewide, off-site programs annually. This includes over 140,000 school children and teachers representing more than 100 cities and towns throughout Arizona who visit the Center on a school field trip, including more than 60,000 low-income youth who visit at no charge through our Focused Field Trips program. Responding to needs in the greater community, ASC offers an extensive selection of educational outreach programs, working on-site at schools, libraries, community centers, and partner organizations throughout the state to deliver impactful programs including STEM camps, Science on Wheels, Universe on Wheels, and CREATE on Wheels. Annually, our educational outreach programming reaches more than 90,000 youth and adults throughout Arizona, including rural areas and Tribal Nations. In addition, nearly 7,000 educators participate each year in ASC's professional development programs through the Freeport-McMoRan Foundation Center for Leadership in Learning. Elevating STEM education and inspiring the next generation of innovators and world-changers is at the heart of ASC's mission. ASC is dedicated to STEM education and creating a passion for science by offering visitors new and relevant access to science in ways that excite and delight.

Program/Project tie to SRP Goals: We are so pleased that one of your primary funding interests is COMMUNITY EDUCATION specifically on enrichment programs that focus on STEM education, job-readiness and employment skills. ASC's STEM Education Programs clearly align with these initiatives and we enhance those learning opportunities both in programs and experiences through our exhibitions that bring the science to life including the upcoming Skeletons: The Wonders Within Exhibition. Your Sponsorship of the exhibition, the Girls in STEM initiative, Science on Wheels, and Galaxy Gala 2025, collectively align with SRP's stated goals and objectives for Education to support these learning programs that enrich our classrooms and encourage student success in the sciences through robust learning opportunities.

Throughout FY24, a year marked by technological advancements and meteoric growth in the State of Arizona, ASC recognized the increased need to promote scientific literacy and critical thinking to students in Arizona. It has never been more vital. ASC's goal is to help bridge the education gaps in presenting scientific knowledge by offering engaging, interactive and immersive experiences to students of all ages, backgrounds and interests. Our ongoing challenge is how to invigorate these experiences that will move the needle in STEM and creative learning for all Arizona students. By fostering a culture of inquiry and discovery, we continue to cultivate a scientifically literate society that will address the challenges and opportunities of the future. We must also address how to authentically offer the culture of learning in an environment where the competition to capture the attention and interests of our youth is at an all-time high. We know that learning is most effective when it is enjoyable and hands-on. To that end, we create environments that encourage active participation to facilitate a deeper understanding of scientific concepts. We utilize a myriad of genres to engage young scientists including film, demonstrations, hands-on creative time, thoughtful learning by examination and questioning -- all led with more empowered teachers who are the students' partners. ASC provides, and increases access to high-quality Science, Technology, Engineering and Math education for students and teachers through a wide variety of STEM education programs onsite, online and throughout the state. Moreover, a major driver behind our work is providing high-quality programming to all who seek it, and to help level the educational playing field for underrepresented children by providing free STEM education programs for them and professional development for teachers from Title I and rural schools.

Our role as a leading STEM education provider in Arizona has increased dramatically over the years in response to chronic budget cuts to public education and severe teacher shortages. Arizona teachers not only lack adequate funding for essential STEM education programs, and too many lack the competence and confidence to teach it well. It's a serious challenge to prepare today's youth for future STEM careers, and for Arizona companies to find the local talent they need.

For children in Arizona's 1,300 Title I schools, at least 40% live at or below the poverty line, which qualifies them for free or reduced lunch as part of the National School Lunch Program. For these Title I students, the poverty level is often much higher, at 80% or more, and students often have less access to enriching learning opportunities and score lower on statewide tests. These statistics are repeated in shockingly similar numbers around the State. Given the already strained public education system in Arizona where there is not enough funding, too few teachers, too few fully qualified teachers and not enough resources, children from Arizona's Title I schools are especially vulnerable to continue falling behind. Many represent high-minority, marginalized communities where higher education attainment is rare. Reaching those in marginalized communities is an especially critical priority as we know that education is key to breaking the cycle of poverty. ASC works every day to mitigate these shortfalls by providing high-quality, essential STEM education for children, and to deliver free programming to Arizona's disadvantaged students and professional development training for teachers.

Skeletons: The Wonders Within Exhibition will celebrate vertebrate biodiversity by exploring the science of osteology, skeleton form and function, the relationships between humans and the animals around us, and by developing an appreciation and conservation ethic for the natural world. The look inward will reveal how the skeletal system gives the body its shape and holds organs in place. In the simplest terms, the skeletal system is the body's most important support structure.

Girls in STEM Initiative - ASC's Girls in STEM Initiative helps inspire girls in grades 4-8 to explore their full potential in STEM. During multiple programs in 2025, approximately 2,500 girls will collaborate with their peers to solve STEM-focused problems and connect with women in STEM careers who serve as volunteer mentors during the programs. As a result of these programs, participating girls will increase their knowledge of STEM, their awareness of STEM careers, and their interest in pursuing a STEM career.

Science on Wheels is our fastest growing area as we take STEM to the classrooms, libraries and community centers throughout Arizona to bring the program directly to students and teachers.

Project/Program Description: ASC's Scope of Project for the support from SRP of our STEM Education project includes: Skeletons: The Wonders Within Exhibition Sponsorship, Girls in STEM initiative, Science on Wheels and Galaxy Gala 2025.

Skeletons: The Wonders Within will capture guests' natural curiosity while they investigate why animals have bones, understand their own skeleton's form and function, and discover how skeletal diversity provides animals with many unique abilities. The immersive experiences of Skeletons are dynamic, and seen through a variety of lenses, interrogates how osteology and its role in forensic science fuels research regarding medicine, showing how bone preservation is accomplished, and provides a fuller understanding of the interconnectedness of all living things and the importance of conservation.

Skeletons: The Wonders Within is designed around 5 specific zones that take visitors on an exciting learning journey. The zones include: Introductions, Same and Different, Movement, Bones Tell Stories, and Biodiversity & Conservation.

Skeletons: The Wonders Within includes complimentary education resources for Arizona educators to incorporate their class field into their science curriculum plan. Aligning with Arizona Science Standards for Life Sciences, Skeletons: The Wonders Within educator guide includes pre- and post-visit activities for educators to incorporate within the classroom. Arizona Science Center will be hosting a complimentary educator evening providing free admission, professional development workshop and learning guides and resources. Educators will be able to incorporate a field trip visit to bring their students in-classroom learning to life as they experience hands-on activities in the exhibition and are able to view skeletons from their lessons.

School groups on field trips will be able to add on this unique experience, and teachers will receive a free Educator Guide for the exhibition, including hands-on activities aligned with Arizona Science Standards. The goals of our traveling exhibitions include: 1. Bringing new and relevant content several times a year to the Arizona community and encouraging visitors to approach new phenomena and ideas with a fresh perspective and 2. Providing an opportunity to attract and engage new audiences with ASC. SRP will be recognized as a local sponsor and will be included in all marketing elements related to the exhibition.

The Girls in STEM Initiative has a variety of programs scheduled throughout the year. During each program, girls in 4th-8th grade collaborate with their peers to solve engineering-design problems and connect with women in STEM careers who enthusiastically mentor the young women. The goal is to expose girls to interesting and engaging STEM-related activities and concepts that capture their curiosity and spark their interest in learning more.

During these programs, the girls are encouraged and supported by remarkable professional women. In the past they represented more than 22 companies and organizations in Arizona, including SRP, ASU, UofA, WebPT, Intel, AT&T, TGEN, Wimco, Raytheon, ADP, Vanguard, Charles Schwab, and more. Not only do they serve as amazing mentors for the day, but they also help to introduce the girls to viable career paths in science, technology, engineering and math-related fields.

Through funding support from SRP, Arizona Science Center will be able to impact more than 2,500 girls in 4th-8th grade in Girls in STEM programs, virtually and in-person.

Reports show that despite the growing dominance of STEM in today's business world, women still make up less than 30% of all STEM careers. Tapping into and building confidence in STEM starts early and is why nurturing girls' interests in STEM is so important during their formative years. Driven to help meet this need, ASC launched our Girls in STEM Initiative to give girls multiple opportunities to explore their abilities and meet female mentors. Throughout the year during weekend programs and special events, hundreds of girls in grades 4-8 learn about and apply STEM through hands-on activities, collaborative problem-solving, and team challenges, focused on themes including coding, robotics, chemistry, engineering, sustainability, finance, and more. Girls also learn about STEM careers and educational pathways from professional women in STEM-related industries who serve as mentors. As we look to 2025, ASC is planning numerous Girls in STEM programs with a variety of exciting themes to engage and inspire girls in meaningful STEM learning. A projected 50-100 girls will attend each program.

Science on Wheels

Arizona teachers need additional support to guide and strengthen STEM teaching in the classroom. Driven to help meet this growing need, Arizona Science Center created a solution: Science on Wheels. Led by our Learning and Outreach staff, Science on Wheels brings the excitement of hands-on science discovery directly to classrooms, libraries, and community-based organizations throughout Arizona. The program offers more than 80 distinct STEM lessons that teachers can choose from in a variety of formats to best fit their needs. Through problem-solving activities and live demonstrations, Science on Wheels brings expertise and resources from the Science Center that students and teachers need directly to the classroom. This type of outreach is especially important for rural and low-income areas where visiting the Center is difficult.

Examples of Science on Wheels programming include:

*In Your Classroom Programs consist of grade-specific content, with a wide selection of STEM topics, aligned to meet Arizona's College and Career Ready Standards and Next Generation Science Standards.

*Assemblies are live presentations that are ideal for larger groups (group gatherings will be at the discretion of school's policies), and include topics such as combustion, light and sound, and chemistry.

*Family Science Night Programs are two-hour sessions that are ideal for audiences of any age. They consist of hands-on tabletop activities that allow students and families to explore and learn at their own pace.

*STEM Extravaganzas immerse an entire school in STEM learning for the day. While each class engages in a variety of STEM activities and demonstrations aligned to their grade level, teachers are concurrently receiving professional development in STEM teaching and best practices.

*Universe on Wheels brings our state-of-the-art planetarium experience to schools around the state with its inflatable, ADA compliant mobile planetarium and a new open-air mobile planetarium.

*Preschool Science on Wheels programs offer hands-on science experiences that are aligned with Developmentally Appropriate Practice, National Association for the Education of Young Children recommendations for high-quality programs, Arizona Early Learning Standards, and Teaching Strategies GOLD.

Galaxy Gala

ASC's signature annual event, Galaxy Gala, offers guests the opportunity to experience first-hand the interactive exhibits of the Center while also providing critical support for our mission to inspire, educate and engage curious minds through science. Our 2025 Galaxy Gala will feature the opening of our newest exhibition, *Skeletons: The Wonders Within* will take place on February 1, 2025. Galaxy Gala proceeds will benefit the Center's STEM education programs that help shape tomorrow's innovators and leaders in science, technology, engineering, and math.

Program Metrics:

Skeletons: The Wonders Within exhibition will be an interrogative approach to understanding the skeleton's form and function and discover how skeletal diversity provides animals with their many unique abilities. The immersive experiences of Skeletons are dynamic, and seen through a variety of lenses, interrogates how osteology and its role in forensic science fuels research regarding medicine, showing how bone preservation is accomplished, and provides a fuller understanding of the interconnectedness of all living things and the importance of conservation. Overall attendance is projected at 50,000 adults, children, teachers and students from all communities in Arizona and out of state. Estimated market impressions is 10 million +.

Girls in STEM Initiative

We know that hands-on learning are the most impactful and sustained experiences that launch curiosity and focus interests. A growing body of evidence indicates that "free-choice" learning experiences at private science centers contribute more significantly to the public's scientific literacy than science coursework. For children, experiences gained in science centers are major predictors for future science inquiry skills and academic achievement.

Our Girls in STEM Initiative is designed and projected to impact approximately 2,500 girls in grades 4-8. At each event, an average of 50-100 girls in 4th-8th grade collaborate with their peers to solve STEM-related problems and connect with women in STEM careers who serve as volunteer mentors during the program. Events are held 1-2 times per month ranging from 4-8 hours. Participants primarily come from cities within Maricopa County, and some live in surrounding counties as well.

Science on Wheels

Science on Wheels programs are offered throughout the school year where ASC Learning and Outreach Teams present Science on Wheels programs with themes and formats selected by the teachers that align with what they are presenting in their classrooms. ASC's Learning and Outreach Teams present these programs, trains the teachers on the science concepts presented, and serves as mentors to the teachers throughout the year to sustain the learning momentum. In a typical year, nearly 60,000 students in grades PreK-8 participate in Science on Wheels programs.

Students' learning themes include anatomy, astronomy, coding, ecology and conservation, physics, engineering, bioscience and medicine, to name a few. Arizona Science Center is a significant science learning resource through Science on Wheels programs. This field-level approach is making a tremendous impact where there is a clear mandate for a much-needed sea change. As a result, this approach to inspire more students towards fields of study and careers that are STEM aligned, while equipping the teachers with the skillsets needed to successfully present these subjects throughout the year, is paving the way for the future of work for these young people. Tracking the number of participating students, teachers and schools in each Science on Wheels programs is essential. ASC's Learning and Outreach Teams have a formal evaluation process to assess the success and impact of the program. All participating teachers receive a detailed survey to complete and detail their experiences with various aspects of the program. ASC utilizes these results along with feedback from all participants to measure program success and make needed additions and changes.

ASC provides programming for 140,000 school children and teachers representing more than 100 cities and towns throughout Arizona. More than 60,000 children and adults experience outreach programs at schools and community organizations throughout Arizona including rural areas and Tribal nations. ASC provides free programming to Title I students including Science on Wheels. There are over 1300 Title I schools in Arizona. The Title I students over the past year reflected the following student demographics:

- *65% Hispanic
- *20% White
- *7% Black
- *3% Native American
- *3% Other Ethnicities
- *2% Asian

Intended Use of SRP Funds:

Skeletons: The Wonders Within Exhibition Sponsorship funding from SRP will be used to help underwrite all elements needed to bring the exhibition to Arizona and maintain it while at ASC. Expenses include travel, exhibition shipping, installation, maintenance, staffing and equipment. \$25,000 proposed level of support.

Funding from SRP will be used to help support all elements needed to deliver Girls in STEM events including curriculum development, promotional materials, personnel, printing, activity supplies and refreshments. Through funding support from SRP, Arizona Science Center will be able to impact more than 2,500 girls in 4th-8th grade in Girls in STEM programs, virtually and in-person. \$5,000 proposed level of support.

Additionally, funding from SRP towards Science on Wheels will ensure that more students from under resourced communities will be able to receive this programming free of charge. An investment of \$5,000 will provide free programming for 375 students in Title I schools. To align with SRP's education goals, specific programs such as solar or water-based programs can be designated.

Funds from SRP will be used to support our Galaxy Gala 2025 event and table sponsorship for 10 guests. \$5,000 proposed level of support.

SRP Sponsorship Benefits: SPONSORSHIP BENEFITS

*Logo and/or company name on marketing elements related to Skeletons: The Wonders Within exhibition including marketing/collateral, external banner and signage, offsite promotional collateral and online.

*Prominent display of logo and/or company name at Skeletons: The Wonders Within exhibition entry (onsite).

*50 complimentary Skeletons: The Wonders Within VIP Passes for use at any time during the exhibition run (provided prior to opening day).

*25 complimentary General Admission passes (valued at \$21.95 each) for use for one year.

*One Employee Appreciation Weekend at Arizona Science Center hosted by your organization that entitles your employees and up to four guests to Arizona Science Center.

*A staff-led tour of Skeletons: The Wonders Within exhibition for up to 20 guests.

SPONSORSHIP BENEFITS -- GIRLS IN STEM

*Logo or company name on all marketing elements related to Girls in STEM including marketing/collateral, onsite banner and signage, offsite promotional collateral, social media, web and email (100,000+ email list) promotional items.

*Opportunity to provide a take-away in the Girls in STEM event bag.

SPONSORSHIP BENEFITS SRP will receive name recognition on the Science on Wheels program for one year.

SPONSORSHIP BENEFITS -- GALAXY GALA

*Logo or company name on all marketing elements related to Galaxy Gala 2025.

*Table for 10 at Arizona Science Center

RECOGNITION AND BENEFITS

Added Visibility and Benefits (Gifts of \$25,000 and above)

*Name recognition as a Community Supporter at the \$25,000 - \$49,999 level for one year on the Science Center's Donor Wall display (Estimated impressions: 500,000+).

*Name recognition as a Community Supporter at the \$25,000 - \$49,999 level for one year on slides presented in the Irene P. Flinn Giant Screen Theater shown prior to presentations (Estimated impressions: 100,000+).

*Name recognition as a Community Supporter at the \$25,000 - \$49,999 level for one year on the Science Center's Community Supporters web page with a hyperlink to the company website, if desired. (Estimated impressions: 50,000+).

*50 complimentary general admission passes for employees and/or clients (Fair Market Value: \$1,097.50).

*One employee appreciation weekend at the Science Center, featuring complimentary general admission for employees and up to four additional guests (Fair Market Value of estimated 400 attendees: \$8,780).

*Year-long employee discounts: \$2 off general admission and \$10 off memberships (not to be included with other offers or discounts).

*Opportunities to offer special discount promotions for SRP customers, including \$10 discount on individual memberships to the Center and \$2 discount off general admission.

*One complimentary facility rental (excludes catering, rentals, theater/planetarium and special ticketed exhibitions) (Fair Market Value: \$7,000).

*Year-long 5% discount on additional Science Center facility rentals (excludes catering, equipment rentals and special ticketed engagements).

*Special invitations to preview new feature exhibitions and films.

*Private tour of Arizona Science Center and CREATE for 20 employees and/or clients.

Other Sources of Funding: Given the growing need and demand for our STEM education programs and onsite learning experiences, ASC works to ensure their sustainability each year through a solid base of funding from a wide range of individual donors and corporate and foundation partners, along with earned revenue. Each of these partners provide financial support for Girls in STEM and Science on Wheels:

Girls in STEM Initiative's financial and volunteer funding partners include but are not limited to: APS, Herbert H. & Barbara C. Dow Foundation, Freeport-McMoRan Foundation, Helios Education Foundation, Chevy Humphrey, Intel, KLA Foundation, Alison Lewis & Craig Krumwiede, Northrop Grumman, Charles Schwab Foundation, Southwest Gas, Stantec, WebPT, and Wimco.

Science on Wheels is generously supported by:

American Airlines, Arizona Community Foundation of Flagstaff Northern Arizona Region, Applied Materials Foundation, Executive Council Charities, Gila River Indian Community, Helios Education Foundation, Moreno Family Foundation, Salt River Pima--Maricopa Indian Community, Saxton Bradley, SRP, Sundt Foundation, Thunderbirds Charities, Union Pacific Foundation and the Voya Foundation.

Similar Organizations: While there are a handful of other organizations in Arizona who provide STEM education programs for K-12 students, what sets ASC apart is the depth and variety of programming we offer, along with our capacity to bring our programs to every corner of the state. From our standards-aligned educational field trips and Camp Innovation programs, to our Girls in STEM Initiative, Science on Wheels outreach, virtual learning programs and more, ASC offers a unique and robust selection of learning opportunities designed to fit individual needs. Moreover, our Learning Team talent brings years of experience to each program, inspiring and engaging students in hands-on learning while modeling best teaching practices for teachers. Finally, ASC has built solid, lasting relationships with thousands of teachers, schools, school districts, libraries, community centers, and other nonprofits over the years to deliver our programs. This trust and confidence in the quality of our work and programming is why our programs are requested again year after year, decade after decade. All of this combined has helped position ASC as a leading STEM education provider throughout Arizona and a reliable, effective partner in helping to positively impact the next generation.

Letter Signer & Title:

Internal Comments: Operating support for STEM, Science on Wheels, and more (\$35,000); Sponsor the Galaxy Gala 2025 event (\$5,000) on 02/01/2025.

Attachments

In-Kind Supporting Documentation:

Sponsorship Packet: Arizona Science Center_SRP 2024-2025 Opportunities June 2024.pdf

Current Year Budget: SRP_ASC_FY2024 Agency Budget FINAL.docx

Last Year's Budget: Arizona Science Center_FY2023 Agency Budget Overview.pdf

Program Budget: SRP 2024 Arizona Science Center_SRP_Grant Application_Program Budget_FY24.pdf

Audited Financial Statements: Arizona Science Center_FY2023 Audited Financial Statements Final.pdf

Board of Directors Listing: ASC_BOT Name and Company_FY24_August.pdf
List of Corporate Contributors: SRP ASC Corporate and Foundation Annual Contributors 2024.pdf
Additional Attachment (1):
Additional Attachment (2):
Signed Letter & Non PO Payment Form:
Number of Events: 1

Event One

Event 1 Event Name: Galaxy Gala 2025
Event 1 Date: 02/01/2025
Event 1 Location : Arizona Science Center
600 E. Washington St.
Phoenix, AZ. 85004
Event 1 Number of Attendees: 500
Event 1 Cash Requested: 5000
Event 1 In-Kind Requested: 0
Event 1 Other Event Info: Welcome cocktail reception and tour of Skeletons: The Wonders Within exhibition followed by a formal dinner and after party.
SRP Volunteer Opportunities? 1: Yes
Event 1 Net Proceeds Previous Year: \$400,000.00
Event 1 Other Event Sponsors : Yes
Event 1 Other Sponsors and Dollar Amount: Numerous other individual and corporate sponsors.
Event 1 Promo Booth: No
Custom Report:
Event 1 Name - Approved:
Event 1 Date - Approved:
Event 2 Name - Approved:
Event 2 Date - Approved:
Event 3 Name - Approved:
Event 3 Date - Approved:
Is your payee information different than your organization information that was previously provided?: No

Payment

Scan

Score	Scanned Entity	Match	WatchList Name	WatchList Detail
96%	Tammy Stewart (Contact Full Name)	STEWART, TAMMY ANNETTE	Excluded Party List System (EPLS)	STEWART, TAMMY ANNETTE Listing: STEWART, TAMMY ANNETTE - Individual Reason: Reciprocal Address: PROCTOR AR 72376 USA Other: Active Date Other: Additional Comments Other: CT Code Other: Excluding Agency Other: Excluding Program Other: Excluding Type Other: Termination Date

96%	Tammy Stewart (Contact Full Name)	STEWART, TAMMY ANNETTE	OIG Exclusions	STEWART, TAMMY ANNETTE Listing: STEWART, TAMMY ANNETTE - Individual Address: 13298 U S HIGHWAY 70 PROCTOR AR 72376 Occupation: NURSING PROFESSION Occupation: NURSE/NURSES AIDE DOB: 1971-05-17 Incident: 1128b4
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Last Scanned By: Karla Esparza

Last Scanned Time: 07/08/2024 12:32:10 EST

Reason for scan: Submission for Approval

Scan results accepted:

by Karla Esparza (System) on 07/08/2024 12:32:10 EST

Scan results automatically accepted by system based on previous acceptance by knesparz on 2024-07-08 12:17:25 EST

Approval

Requested Amount: \$40,000.00

***Recommended Amount:** \$40,000.00

Prior Approved Grants: •2010 - - \$200,000.00

•2013 - - \$25,000.00

•2014 - - \$30,000.00

•2014 - - \$5,000.00

•2014 - - \$1,500.00

•2015 - - \$1,000.00

•2015 - - \$30,000.00

•2016 - - \$35,000.00

•2017 - - \$5,000.00

•2017 - - \$500.00

•2017 - - \$1,250.00

•2018 - Arizona Science Center's STEM Education - \$30,000.00

•2018 - Dollars for Doers Grant - \$500.00

•2019 - Sponsor 2019 Galaxy Gala - \$5,000.00

•2019 - Arizona Science Center's STEM Education Programs - \$30,000.00

•2020 - Arizona Science Center's STEM Education Programs – Science on Wheels Outreach programs for Title I schools, Giant Screen Theater Film Sponsorship, Girls in STEM Initiative - \$30,000.00

•2020 - Galaxy Gala 2020 Sponsorship - \$5,000.00

•2021 - Arizona Science Center's STEM Education Programs – Science on Wheels STEM education outreach programs for Title I schools, CONNECT @ Arizona Science Center, Girls in STEM Initiative, and Galaxy Gala - \$35,000.00

•2022 - Arizona Science Center's STEM Education Programs —Survival of the Slowest Exhibition Sponsorship, Girls in STEM Initiative, and Galaxy Gala - \$35,000.00

•2022 - Arizona's Water, Interactive Water-Based Experience - \$750,000.00

•2023 - Arizona Science Center Embracing the Future Campaign - \$200,000.00

•2023 - Arizona Science Center's STEM Education Programs - Dogs! A Science Tail Exhibition Sponsorship, Girls in STEM Initiative, and Galaxy Gala 2023. - \$30,000.00

•2024 - Arizona Science Center's STEM Education Programs - OceanXperience Exhibition Sponsorship, Girls in STEM Initiative, and Galaxy Gala 2024. - \$35,000.00

Request Status: Pending

Approval Step 1: Owner Step Definition

Performed By: Karla Esparza / Community Engagement Strategist

ARIZONA SCIENCE CENTER #10801673

Arizona Science Center's STEM Education Programs: Girls in STEM and Science on Wheels, Skeletons: The Wonders Within Exhibition, and Galaxy

Gala 2025 #94235207

Page 9 of 10

Completed: 07/08/2024
Result: Defined
Approval Step 2: Recommend / Do Not Recommend
Performed By: Kelli Rael / COMMUNITY STEWARDSHIP REPRESENTATIVE SENIOR
Completed: 07/09/2024
Result: Recommended
Comments: Operating support for STEM, Science on Wheels, and more (\$35,000) - Stewardship Education (Kelli)
Sponsor the Galaxy Gala 2025 event (\$5,000) on 02/01/2025 - Sustainability (Sabrina)
Approval Step 3: Request Owner Approval
Performed By:
Completed:
Result:
Comments:

Contact

Salutation:
***First Name:** Tammy
Middle Name:
***Last Name:** Stewart
Vendor Number:
Title: Chief Development Officer
Title (CEO):
Address:
Address 2:
City:
State:
Province:
Country:
Zip/Postal Code:
Telephone: 602-716-2000 ext 223
Fax:
Email Address: stewartt@azscience.org
Contact Type:
Creation Date: 12/17/2017
Last Saved By: 1000000007570153
Last Saved Date: 22-FEB-19 08.44.47.944261 PM
Notes:
***Internal Use Only?:** N
CEO First Name:
Principal Prefix:
CEO Last Name:
Mobile Phone:
CEO Email Address:
CEO Phone:
CEO Mobile Phone:
CEO/Executive Director Contact:
Person completing application:

Organization

***Organization Category:** Education
Official Name:
***Legal Name:** University of Arizona Foundation f/b/o UA College of Engineering
***Address:** 1111 N. Cherry Ave.
Address 2:
***City:** Tucson
***State:** Arizona
***Zip/Postal Code:** 85721-0111
***Main Telephone:** 520-621-3016
***Main Email Address:** johannej@arizona.edu
***Website Address:** https://uafoundation.org/
***Executive Director Name:** JP Roczniaak
***Executive Director Phone Number:** 520-621-7257
***Executive Director Email Address:** JP.Roczniaak@uafoundation.org

Proposal

***Request Owner:** Karla Esparza
Request Source: External (Submitted 05/08/2024)
Proposal Type: General Grant Application
***Determination Status:** Ready for Two Week Intake
Strategy:
Organization Category: Education
Type of Request: Annual
Project Title: University Student Support- Engineering Student Design Program, Student Design Safety Initiatives, Engineering Student Org Support and Navajo Scrubber Scholarship
In-Kind Request?: No
Request Amount: \$71,979.00
Requested Cash Amount: \$71,979.00
Cash Recommended:
In-Kind Recommended: \$0.00
Describe Mission/Geographic Impact : The University of Arizona Foundation builds relationships, secures philanthropic support, and stewards assets solely to advance the University of Arizona (UArizona). The University of Arizona Foundation services support exemplary projects and programs such as the UArizona College of Engineering.

The UArizona College of Engineering works continuously to improve quality of life through excellence in education, research, and service and by fostering the next generation of adaptive leaders and life-long learners. The College of Engineering student body is 46% Arizona residents, and the initiatives described in this application impact students not only locally in Tucson, but throughout the state including but not limited to Native/Indigenous Communities. UArizona is an international leader in water research. The impact of UArizona within the State of Arizona is significant, as it is the only university in the state that is a Tier 1 Research and Land Grant University, a member of the Association of American Universities (AAU) and it is designated as a Hispanic Serving Institution (HSI).
Program/Project tie to SRP Goals: As a higher education entity, UArizona is well aligned with Salt River Project's (SRP's) philanthropic interest to impact education and specifically education in Science Technology Engineering and Math (STEM) fields. The students and student organizations that will benefit from this support are all STEM-related clubs or programs with diverse members and with a goal to provide more engagement and sense of community for students. Many of these programs are focused on the retention and recruitment of historically underrepresented students in STEM fields.

The programs also reach a large portion of the students in the College of Engineering and expose them to the SRP name starting their first year in the college and then again as seniors as they culminate their UArizona experience with Design Day. This assists SRP's goals to build a pipeline of future engineers who aspire to work for SRP and supports workforce development.

The programs will teach students design concepts and also promote the SRP brand and name with our College of Engineering first-year students enrolled in ENGR 102. We are increasing enrollment in our first-year class and anticipate an increase of 18%. This will expose ~875 first-year students to SRP via the safety glasses that each student will be provided, as well as with the Solar Tracker project in their first-year design class (ENGR 102). Last, we anticipate approximately 600 students to be part of the interdisciplinary capstone Design Day who will enjoy the boxed lunches sponsored by SRP at Design Day.

Project/Program Description: This grant will provide support for five specifically identified student organizations in the College of Engineering, assist in growing scholarship endowment support, provide critical safety personal protective equipment (PPE) in the form of glasses, as well as support several important programs within the College of Engineering Craig M. Berge 4-year Design Program. Finally, these funds will support programs/scholarships focused on retention for engineering students who have historically been underrepresented in engineering.

SRP has loyally supported the ENGR 102 Solar Tracker design project for first-year students in the College of Engineering. We respectfully request renewal of this support, which is a significant design project for our first-year students. The students learn the following in that course: CAID design prototype and process, system requirements, preliminary design, testing and evaluation, as well as how to work as a team, communicate, and strategize to accomplish their solar tracker build. The other component of the design program we are seeking support for from SRP is for Design Day boxed lunches for all students who are participants in Design Day. Last year was the first year we had an industry supporter provide these lunches and we are grateful for SRP continuing this support for 2024. We would love to have SRP renew this grant to provide the lunches for the Spring 2025 Design Day. The goal for Design Day is to celebrate and showcase the final design projects and products that each team has completed after a year of work on their interdisciplinary capstone project.

The ENGAGED program, (ENGINEERING Access, Greater Equity and Diversity), is a program in the College of Engineering that is designed to aid in the recruitment and retention of historically underrepresented students in engineering. The program includes workshops, community building with peer and professional mentors, dedicated student advising, research and internship experiences, and begins with a first-year experience, Catapult. The Catapult Engineering Success Program provides a strong first-year academic and social foundation. It helps students persist through the engineering curriculum, thrive in the college community, and strengthen Wildcat Engineering connections. The program creates peer networks, provides extra support for challenging courses, and designates one-on-one peer mentors.

The Navajo Scrubber Project Scholarship Endowment was created by SRP in 1998 for engineering students. Students who are eligible must be part of one of Arizona's tribal communities, with preference for Navajo Nation citizens who want to work in their respective communities and who have financial need. Increasing the scholarship award amount to help cover more of the students' tuition will have a greater impact for a student and for all future awards.

Creating a culture of safety within the College of Engineering has been a focus for faculty and staff. The best way to help students learn and immediately assimilate into this culture is to provide them with one necessary piece of PPE, their safety glasses to protect their eyes. This grant will allow us to purchase safety glasses for all incoming students and we hope to brand them with the SRP logo. Each student will be told that the glasses are provided by SRP and we would welcome a safety presentation from SRP to all students in the first-year ENGR 102 course.

The following are goals associated with the programs for which this grant is focused:

1) Increase student club resources for professional development and support students in STEM clubs with opportunities for experiential learning.

2)Facilitate a design experience for students in the College of Engineering that will teach them about design thinking, design constraints and all elements of the design process from iteration to prototyping, testing, and implementation.

3) Support building a pipeline of future engineers who are diverse.

4) Recruit and retain a diverse group of engineering scholars from all backgrounds and support their success and access to a quality engineering education.

5) Create a culture of safety for students, staff and faculty in the College of Engineering.

Program Metrics:

There are a total of over 4,300 undergraduate and graduate students in the College of Engineering, and we anticipate an incoming class of first-year students of ~875. This group of 875 student will participate in the ENG 102 course and receive the safety glasses, as well as participate in the Solar Tracker project and Solar Track Meet event. We anticipate a senior capstone program enrollment of about 600 students who will participate in Design Day.

In the past the demographic breakdown for the College of Engineering has been the following and we anticipate that the programs listed for funding in this application have a similar demographic breakdown of students who are participating in each program.

Gender

28% Women

72% Men

46% Arizona Residents

Race

42% White/Caucasian

25% Other (students who identify in multiple racial demographics)

21% Hispanic

6% Asian

2% Black/African American

2% American Indian/Native American of Alaskan

1% Indigenous People

1% Native Hawaiian/Other Pacific Islander

Intended Use of SRP Funds:

This grant will provide support for key components of the College of Engineering design program, as well as for five distinct student organizations spread between different departments and engineering disciplines in the College of Engineering. The 6th club request in the proposal is for the College of Engineering general student club fund. This fund's purpose is to support club operations, and funding is disbursed by application, which is open to all recognized student organizations in engineering.

The five clubs and general club fund that are included in this grant have all previously been funded by SRP, and we would be grateful for your renewal of support as the student groups have little sources for funding outside of student fees/dues. The clubs we are asking for support for are: ESC-Engineering Student Council, ASME- American Society of Mechanical Engineers, SWE- Society of Women Engineers, ASCE- American Society of Civil Engineers, and IEEE UA Branch- Institute of Electrical and Electronics Engineers. The investment by SRP in the clubs will support student engagement by providing financial resources for club members to pursue professional development or experiential learning opportunities. These learning opportunities could include, but are not limited to: attending conferences (virtually or in-person), attending design competitions, bringing guest speakers to campus, club fairs, and industry recruiting/job preparation workshops. Below is a breakdown per club of the grant request.

STEM Club Support

\$6,384(ENG Clubs*); \$6,000.96 after the 6% fee

*ENG Clubs (Each club will receive \$1,064;\$1,000.16 after the 6% fee**)

** All gifts of \$1,000 or more are assessed a 6% University Development Fund fee.

ESC- Engineering Student Council

ASME- American Society of Mechanical Engineers

ASCE- American Society of Civil Engineers

SWE- Society of Women Engineers

IEEE UA Branch- Institute of Electrical and Electronics Engineers

Engineering Student Club Donations- This is a college wide club fund that all recognized engineering student clubs can apply for funding annually to support their club operations.

The Solar Tracker project is one of four design projects that all freshman engineering students complete during their first-year in the College of Engineering. This project is a key part of the ENGR 102 course and teaches students about the design process. The largest expense for this project is the materials. Arduino kits are purchased for the project. A full list of supplies and their expenses is attached as one of the supporting documents.

In addition to the project materials, funds from SRP will be directed to the Solar Track Meet event. This event occurs in the Fall and Spring semester and provides an opportunity for students to showcase their designs, test their design, and ideally interact with SRP engineers who attend the event to judge the team designs and present the SRP Innovation Award at the event. The event costs include the following:

Solar Track Meet Event

Lunch for ~875 students: \$6,000

Event Tents/Water/Operations: \$2,500

This year we plan to make one ENG 102 course t-shirt that will not be specific to Solar Track Meet, but will be branded with the SRP logo and will be a shirt designed by an engineering student and encompasses the entire ENGR 102 course experience not just one project. This one shirt decreased the amount we are asking for towards t-shirts and would be \$7,000 as the cost is being split with the other ENGR 102 industry design project sponsor.

The total for Solar Tracker for 2024-2025 year is \$34,784.00

\$37,005.00; \$34,784.00 after the 6% fee.

To continue the thread of support from SRP for the design experience, we are requesting support from SRP for College of Engineering seniors who are part of the interdisciplinary capstone program Craig M. Berge Design Day. We intend to use the \$10,000 in funding from SRP to purchase boxed lunches to feed the ~600 seniors who are participating in Design Day. The college's four-year design program culminates during the senior year when all students work on design project. The interdisciplinary capstone projects are all showcased and judged for prizes at the end of the spring semester. Prior to SRP funding the lunch in 2023, we found that students were not eating lunch on Design Day because they felt the need to stay with their projects at their display booth all day (7am to 5pm); therefore, beginning in 2023, with your assistance all students now receive a boxed lunch that has a sticker on the lunch box notifying them that their lunch is provided by SRP. We would love to have SRP renew this support.

Design Day Lunch for All Students

\$10,000; \$9,400 after the 6% fee.

A new request included in this grant this year is for safety glasses for all incoming engineering students. We would like to provide all students with branded safety glasses.

SRP Branded safety glasses for ~875 incoming first-year students to the College of Engineering

\$7,950; \$7,473 after the 6% fee.

Additionally, the grant funding request asks for SRP to again make an investment in the Navajo Scrubber Project Scholarship Endowment. This endowment was established by SRP in 1998 and has assisted numerous engineering students who are part of the Navajo Nation. We request that SRP make a gift of \$5,320, (\$5,000.80, after the 6% fee) to continue to increase the endowments' annual payout. The current endowment is below \$50,000, and we would like to grow the fund to over \$50,000 and be able to award a \$2,500 scholarship annually.

Last, we are requesting support for ENGAGED. Your grant to ENGAGED will be used for program operations and funding for students in the ENGAGED program to participate in programs like Blast Off, Summer TRACK, or Research, Engineering, Advocacy and Leadership (REAL) Work, which allow the students to participate in research with a faculty member and be paid for their work in the labs.

\$5,320 (ENGAGED Forever Fund) \$5,000.80 after the 6% fee.

SRP Sponsorship Benefits: SRP will receive recognition at the Design Day event in May 2025 and recognition in the Design Day Book. The Design Day Book is where all project sponsors and award donors are listed. We will recognize SRP's gift to support lunch for all student participants with a sticker on all boxed lunches that will inform the students that their lunch is provided by SRP. SRP will be listed on the ENG 102 t-shirt that is provided to all students in the ENG 102 course, and we are looking into an option to print the SRP logo on all of the safety glasses that will be provided to the first-year class of students.

Other Sources of Funding: 2023-2024 Comparative Analysis for the College of Engineering:

Corporation*- \$90K

Also supports the ENG 102 course and design project, Biomedical Engineering Undergraduate Research, Engineering Design Program, WISE Program, and Student Clubs/Organizations.

Corporation- \$15k

Scholarship Support

Corporation- \$75K

College of Engineering Dean's Annual Fund.

Corporation- \$45K

Club Support and DEI activity support for Women in STEM

*Please note that we keep our donor information confidential. We have only listed the type of organization out of respect for our donors' privacy.

Similar Organizations: There are three public, four-year universities located in the state of Arizona that each have a college of engineering. UArizona is the only public university located within southern Arizona and the only Land-grant university in the state.

Letter Signer & Title:

Internal Comments: Operating support for the College of Engineering. Funds will support programs/scholarships focused on retention for engineering students who have historically been underrepresented in engineering.

Attachments

In-Kind Supporting Documentation:

Current Year Budget: Current Year Budget and Profit Loss Summary.pdf

Last Year's Budget: Last Year Budget and Profit Loss Summary.pdf
Program Budget: SRP Grant Request Budget 2024-2025 Budget.pdf
Audited Financial Statements: University of Arizona Foundation_Audited Financials_FY22-23.pdf
Board of Directors Listing: BOT Roster Info- FY24.pdf
List of Corporate Contributors: Corporate Comparatives for UA College of Engineering 2023-2024.docx
Additional Attachment (1):
Additional Attachment (2):
Signed Letter & Non PO Payment Form:
Number of Events: 0
Custom Report:
Event 1 Name - Approved:
Event 1 Date - Approved:
Event 2 Name - Approved:
Event 2 Date - Approved:
Event 3 Name - Approved:
Event 3 Date - Approved:
Is your payee information different than your organization information that was previously provided?: No

Payment

Scan

No matches were found

Approval

Requested Amount: \$71,979.00
***Recommended Amount:**
Prior Approved Grants:

- 2021 - UA College of Engineering -Office of Academic Affairs - \$31,920.00
- 2022 - UA College of Engineering -Office of Academic Affairs - \$31,915.00
- 2023 - 59th Annual Engineers Homecoming Breakfast - \$250.00
- 2023 - Engineering Student Support- Solar Tracker Design, STEM Student Organization Support, K-12 STEM Outreach and DEI Programs in Engineering - \$59,960.00
- 2023 - Dean's Advisory Board (DAB) Philanthropy Committee Bold Goal - \$5,000.00
- 2024 - University Student Support- Engineering Student Design Program and STEM Student Org Support and DEI Programs in Engineering and Scholarship - \$66,774.00

Request Status: Pending
Approval Step 1: Owner Step Definition
Performed By: Karla Esparza / Community Engagement Strategist
Completed: 05/13/2024
Result: Defined
Approval Step 2: Recommend / Do Not Recommend
Performed By:
Completed:
Result:
Comments:
Approval Step 3: Request Owner Approval
Performed By:
Completed:
Result:
Comments:

Contact

Salutation:
***First Name:** Johanne
Middle Name:
***Last Name:** Ives
Vendor Number:
Title: Director of Development
Title (CEO):
Address:
Address 2:
City:
State:
Province:
Country:
Zip/Postal Code:
Telephone: 520-621-3016
Fax:
Email Address: johannej@arizona.edu
Contact Type:
Creation Date: 04/25/2022
Last Saved By: 1000000013220103
Last Saved Date: 25-APR-22 07.07.10.492281 PM
Notes:
***Internal Use Only?:** N
CEO First Name:
Principal Prefix:
CEO Last Name:
Mobile Phone:
CEO Email Address:
CEO Phone:
CEO Mobile Phone:
CEO/Executive Director Contact:
Person completing application:

Organization

***Organization Category:** Education
Official Name: YWCA METROPOLITAN PHOENIX
***Legal Name:** YWCA Metropolitan Phoenix
***Address:** 8561 N 61st Ave.
Address 2:
***City:** Glendale
***State:** Arizona
***Zip/Postal Code:** 85302
***Main Telephone:** (602)258-0990
***Main Email Address:** grants@ywcaaz.org
***Website Address:** http://www.ywcaaz.org
***Executive Director Name:** Debbie Esparza
***Executive Director Phone Number:** (602) 258-0990
***Executive Director Email Address:** debbie@ywcaaz.org

Proposal

***Request Owner:** Karla Esparza
Request Source: External (Submitted 07/12/2024)
Proposal Type: General Grant Application
***Determination Status:**
Strategy:
Organization Category:
Type of Request:
Project Title: Equity in STEAM/Aging Adults/Tribute
In-Kind Request?: No
Request Amount: \$40,000.00
Requested Cash Amount: \$40,000.00
Cash Recommended:
In-Kind Recommended:
Describe Mission/Geographic Impact : YWCA Metropolitan Phoenix is a social services organization that has been operating since 1912, providing crucial services to better the lives of individuals in the greater Phoenix area. Its mission is dedicated to promoting equality and justice for all by empowering women and eliminating racism.

We offer a range of programs and services to assist women, children, older adults, individuals with disabilities, as well as those seeking respect and inclusion in a multicultural community. YWCA Metropolitan Phoenix achieves its mission and objectives through three main direct services programs. These programs include the Aging Adult Program, which provides food and companionship to low-income seniors and disabled adults; Prosperity Programs, Empowering women in transitional phases of life with holistic education and connection opportunities that encompass economic empowerment, well-being, and civic engagement; and Equity Programs featuring dynamic events and workshops with leaders who inspire advocacy and empower women.

Our Equity in Steam Initiative (ESI) is about making a difference for BIPOC kids and girls by supporting 20 nonprofits and educational organizations each year. We provide grants to help kickstart or boost their STEAM projects. Participants join an Equity Leadership Learning series where they work with peers and experts to identify challenges and create action plans to promote equity in their organizations. We are proud and grateful for SRP's support of this critical initiative, which impacts our youth, and sets a positive course for their future.

Our Adult Aging Program is a lifeline combating hunger, malnutrition, and loneliness in vulnerable seniors and disabled adults, YWCA goes beyond merely delivering and providing meals. It's a beacon of hope, delivering sustenance, socialization activities, love-filled care packages, and more. In 2023, more than 1,000 older adults were served a nutritious meal every day, 604 holiday Bundles of Love all came with a smile, a connection and the ability to create a sense of belonging.

We also recognize and celebrate remarkable achievements of leaders in our community through our Tribute to Leadership Awards Program. Since 1994, we have proudly honored 277 extraordinary individuals who have demonstrated a commitment to enhance the lives of women, girls, and people of color through their unwavering dedication to leadership, advocacy, and community service. Monies raised through this program, which includes Women's Empowerment month in March leading up to the event, also raises awareness in the community to allow YWCA to reach more women in need of our services and advocacy.

Program/Project tie to SRP Goals: ESI

ESI advances awareness, access and opportunities for girls, women and people of color to engage in STEAM careers, ultimately improving diversity in the STEAM workforce representation statewide. By supporting ESI, SRP is in alignment with its funding priorities of investing in Arizona's educational future. In addition to enriching and enhancing STEAM education, SRP meets a secondary priority. By empowering these communities and providing them with opportunities for economic mobility, SRP is helping underserved and under-engaged, helping them change the trajectory of their live and their families' lives by becoming more than self-sufficient. This support enables them to more easily secure basic needs like food, shelter, safety, and other essentials. Specifically, BIPOC kids and their families will benefit as these kids can imagine and then actualize high-paying roles in STEAM, creating a brighter future.

We know women still face significant challenges when pursuing STEAM careers. The gender gap in STEAM careers persists with women being underrepresented in engineering, computer science, and physical sciences fields. While college-educated women comprise nearly half of the United States workforce, they represent only 34% of the science and engineering workforce. Black, Latina, and Indigenous women represent less than 10% of the STEM workforce.

YWCA Equity in STEAM Initiative and Coalition is therefore critical in addressing systemic barriers that hinder the representation of women and people of color in STEAM careers. As Arizona positions itself as the next tech hub, initiatives like this are paramount in inspiring and empowering underrepresented individuals to pursue STEAM professions. By supporting nonprofits and schools statewide, the coalition and SRP can cultivate and build a pipeline of diverse STEAM talent, driving Arizona's economic prosperity and competitiveness.

Aging Adult Program:

YWCA Metropolitan Phoenix's Aging Adult program is a vital initiative that aligns perfectly with SRP's priority of providing food, shelter, safety, and other essentials to help underserved communities achieve self-sufficiency. In Arizona, 12% of seniors are food insecure according to America's Health Ranking, which means they lack access to enough nutritious food to meet their daily needs.

In Glendale specifically, a study by the Maricopa Association of Governments found that 16.7% of older adults reported experiencing food insecurity, which can lead to malnutrition and other health problems. The Senior Meals program provides nutritious meals to these seniors who may not have access to healthy food options otherwise, ensuring their well-being and health. Moreover, the program offers a sense of community and socialization for seniors, which is equally important for their overall quality of life and mental health. By supporting the aging Adult program, SRP can enable underserved communities to become self-sufficient and thrive.

Tribute to Leadership Program:

Our desire to celebrate leaders who have poured their time and talents in order to lift their communities is what our Tribute to Leadership Awards Program is all about. It aligns with SRPs goals to support customers and community partners that foster creativity, innovation and imagination. We share SRPs commitment to set up everyone we touch for success, to build a strong foundation for their future and that of our community.

Overall, each of these programs allow YWCA Metropolitan Phoenix to support those who are most vulnerable in our communities. We bring opportunities and tools that not only build skills and a desire to achieve, but also a hope in their future. Generous funding and partnerships are what make that happen to achieve our shared missions.

Project/Program Description: ESI

Our goal is two-fold: YWCA works with educators who play a crucial role in shaping the STEAM education environment; equipping them with equity-focused tools and knowledge is essential for systemic change. With the existing gender gap in STEAM careers we want to equip these leaders to educate and inspire their students, and help to close that gap.

In addition, we know this initiative will require the involvement of our partners as well in the corporate world to embody these values. Corporate engagement is crucial for creating diverse workforce pipelines and ensuring industry support for the coalition's initiatives.

Goal 1: Enhance Equity Leadership Among Educators by

Conducting four Equity Workshops per year for Equity in STEAM grantees/educators in Arizona to embed social equity into their STEAM programs.

Utilizing existing resources and partnerships with local educational institutions to develop and deliver the workshops.

Implementing this within one year and continuing annually.

Goal 2: Expand Corporate Engagement

Leverage existing corporate networks and demonstrate the value of diversity and inclusion initiatives to attract new partners.

Achieve this goal within two years.

By the end of two years, the Equity in STEAM Coalition will have doubled its corporate partnerships, leading to increased resources, mentorship opportunities, and collaborative projects that promote diversity in the STEAM workforce

Aging Adult Program

YWCA Metropolitan Phoenix's Aging Adult Program is dedicated to providing essential food services to homebound seniors and disabled adults in the City of Glendale. The Aging Adult program is implemented through two engagement strategies. The Meals on Wheels program delivers nutritious meals right to the client's doorsteps, or clients engage in-person through Congregate lunch meals, which are available at four convenient locations throughout Glendale. These programs serve as the cornerstone of the YWCA's Aging Adult Program, ensuring that clients have access to the sustenance they need to thrive.

As the demand for programs has grown, YWCA Metropolitan Phoenix has taken steps to better understand its clients' needs. Through surveys, interviews, calls, and testimonials, the organization has learned that clients require expanded program support and language capacity, particularly in Spanish. By listening to its clients, YWCA Metropolitan Phoenix aims to make its programs and services more robust in their offerings to the people it serves.

To achieve this goal, YWCA Metropolitan Phoenix plans to expand its "More than a Meal" model, which focuses on three key areas.

Socialization activities offered to help keep older adults engaged and connected.

Bundles of Love will provide holiday and birthday bundles, fresh produce, healthy snacks, toiletry kits, and household items to improve the client's quality of life.

YWCA Metropolitan Phoenix's Resource Hub will connect older adults with health and wellness providers, partner referrals, food boxes, home safety modifications, and maintenance.

YWCA Metropolitan Phoenix's delivery and congregate meal services, combined with the "More than a Meal" model, will help address systemic issues such as food insecurity, malnutrition, isolation, and access to care.

Older adults have been disproportionately impacted during these challenging times, and experience food insecurity at higher rates than others. YWCA Metropolitan Phoenix wants to do everything it can to help. We are committed to enhancing and expanding the impact of our programs by reaching more of our older adults. Funding from SRP of \$10,000 would go a long way in supporting these efforts, allowing the YWCA Metropolitan Phoenix to help older adults age in place with dignity and serve more of our older adults more effectively.

Tribute to Leadership Awards

For three decades, YWCA has been a beacon, illuminating the path of justice and community service by celebrating outstanding women and their contributions. Each year, we come together to raise awareness and appreciation for the diverse and invaluable contributions of women leaders. They provide our younger generation with inspiration and an example of their possibility.

YWCA's Tribute to Leadership Awards Program is an annual celebration that acknowledges the remarkable achievements of women leaders and organizations in our community. These individuals are committed to enhancing the lives of women, girls, and people of color through their unwavering dedication to leadership, advocacy, and community service.

In 2023, we changed the format and updated the ticketing process to introduce a sliding scale to make the event more inclusive. Attendance (in person and virtual) rose to 623 individuals, and we realized fundraising of \$109,213, more than a 300% increase from 2021.

Program Metrics: ESI

Since its inception in 2021, over 3,500 people have been impacted, ranging from students, educators, corporate partners and volunteers. To ensure that the ESI is successful, YWCA Metropolitan Phoenix implements a multilayered approach of data tracking methods/methodologies to measure the program's impact. By utilizing pre and post-surveys, private conversations, and feedback loops, where program participants can provide valuable feedback that allows for continuous improvement and adaptation of the program. This approach also ensures that the program can better serve the needs of underrepresented individuals in STEAM education and be more impactful. In executing ESI, we have set goals for, and will gather measurable data including

Evaluation of workshop attendance, participant feedback, and implementation of equity strategies in classrooms.

Educators who participate in the workshops will demonstrate increased awareness and application of equity practices, leading to more inclusive and supportive learning environments for minority students.

Increase the number of corporate partners engaged in the Equity in STEAM Coalition.

Track the number of new corporate partnerships formed and their active participation in coalition activities.

Project Outcomes:

1. In FY 24-25, YWCA will distribute 20 flexible support new/existing projects that address race and gender disparities in STEAM.
2. In FY 24-25, YWCA will implement the Equity Leadership Learning Series with 4 for a cohort of the selected grantees.
3. During FY 24-25, YWCA will convene and engage the Equity in STEAM Coalition by hosting quarterly networking events

2024 Testimonial

"Being part of the EQUITY In STEAM Initiative has made me feel like I have a support network to help navigate many of the issues I see in our society as well as in the classroom and at camps. I am so grateful to be part of this cohort and to know that I have access to all the wonderful participants going forward. I look forward to contributing in any way that I can in the future."

Project Evaluations:

1. 95% of participants will feel more comfortable discussing racial and social equity topics, a 59% increase from pre-survey results.
2. 72% of participants will feel more confident in implementing culturally relevant solutions in STEAM, a 35% increase from pre-survey results.

Aging Adult Program

YWCA Metropolitan Phoenix is taking steps to combat food insecurities among older adults in Glendale, Arizona. We have implemented the Home Delivered and Congregate meal services to provide adults 55+ with better access to nutritious meals. The project aims to improve the health and well-being of these individuals while also building resilience in the older adult community as a whole.

The goal is to ensure that older adults have access to nutritious meals, which will support them in maintaining their independence and living healthier lives. This initiative will ultimately strengthen the community by promoting the overall health and well-being of its older adult population. The following are three direct outcomes of the project:

- (1) By the end of the fiscal year, we will have provided 1000 older adults with better access to a nutritious mid-day meal, either through in-person dining or Meals on Wheels.
- (2) Over the course of the year, we will distribute supplemental food to 500 older adults each month, ensuring that they have access to fresh produce.
- (3) During the holiday season, we will support 150 older adults by providing them with care packages to help combat isolation issues and promote well-being.

Data Tracking and Measurements

Clients of the Aging Adult program are either at risk of food insecurity due to their income or are unable to prepare their own meals and/or are homebound. To ensure the program's effectiveness, YWCA Metropolitan Phoenix utilizes an intake form provided by the Area Agency on Aging, which clients complete to declare their eligibility. This form includes information about their income status and residency within the served geographic area, as well as their name, address, and family size. The intake process is mandatory for clients that participate in either the Home Delivered and Congregate meal services.

The intake and authorization paperwork of eligible clients is kept confidential and entered into the YWCA Metropolitan Phoenix's ServTracker, a computer system program used for reporting and data analysis. The monthly generated reports provide information on unduplicated clients, meals served, and other demographic data necessary to remain accountable to funding sources.

Tribute to Leadership Program

This program has celebrated 277 women and organizations since it began in 1994 and is the culmination of our programming in March for Women's Empowerment Month.. Beyond an awards program, it elevates the awareness of all of our programs and the amazing impact they bring to our community. It also helps to raise funds to sustain these programs through the support of our many partners. Last year, we were thrilled to raise over \$100,000 to sustain empowerment programs;; our goal this year is \$200,000

Intended Use of SRP Funds: Equity in STEAM Initiative (\$25,000)

Continued SRP funding will provide support for the ESI program by covering various costs such as grant administration, a range of events (including a kick-off gathering, grantee announcement, and completion celebration), the Equity Leadership Learning Series, and coalition convenings aimed at fostering community collaboration. This funding is a vital resource that will enable YWCA Metropolitan Phoenix the smooth facilitation of the program, ensuring that it remains effective and impactful in promoting equitable STEAM practices and opportunities within the community.

Aging Adult Program (\$10,000)

YWCA Metropolitan Phoenix's Aging Adult Meal Program funding will be allocated towards procuring high-quality ingredients, arranging transportation for meal delivery, and ensuring that staff and volunteers have access to the necessary resources to prepare and serve meals safely.

Tribute to Leadership (\$5,000)

Additionally, support of Tribute to Leadership from SRP will empower YWCA Metropolitan Phoenix to continue offering sliding scale tickets that remove the financial barrier for guests who may be unable to afford a ticket to network with powerful women.

SRP Sponsorship Benefits:

WWe highly value our corporate partners and their contributions to our mission. Your support enables us to continue making a positive impact in our community. In return, we offer various benefits to our sponsors, including extensive marketing opportunities and recognition.

Benefits for SRP:

Email and Social Media Exposure: We have a robust following on our social media channels, including

4,500+ social media followers

4,200+ email subscribers

Your sponsorship will be highlighted across these platforms, reaching a broad audience.

Website Recognition: SRP's logo will be prominently displayed:

On our home page in a front-facing scroll

On specific program pages

On our Equity in STEAM page

On our Tribute to Leadership web page and related programming

Annual Report: SRP will be acknowledged in our annual report, which is distributed to our supporters and stakeholders.

Event Recognition: As a corporate sponsor, SRP will receive recognition on marketing materials for our events, including:

Complimentary tickets to the Tribute to Leadership awards presentation

Opportunities to feature SRP speakers who can inspire and educate our program participants, particularly in our Equity in STEAM initiative and ESI program

Perhaps the most impact we receive from our corporate partners is their own talent. SRP is welcome to offer speakers who can impact our women, our educators in the ESI program and any other collaborations that will help advance our shared missions.

Other Sources of Funding:

Equity in STEAM:

Intel \$100,000

Bank of America -- \$25,000 pending

Avnet - \$7,500 pending

Corning - \$5,000 secured

Tohono O'odham Indian Nation -

Cox Charities - \$5,000

Adult Aging Program
 City of Glendale
 Area Agency on Aging
 Valley of the Sun United Way
 APS
 Glendale Civic Pride
 Season for Sharing
 John F Long Foundation
 Fry's Foods and the Kroger Foundation (food and monetary donations)

 Tribute to Leadership
 Fry's Foods
 Cox Charities
 Bell Bank
 Girl Scouts Cactus-Pine
 Southwest Airlines
 Harvest Trulieve
 Credit Union West
 ASU
 1st Bank

Similar Organizations: Our Equity in Steam program is simply unmatched in the Valley. We are differentiated in our focus on women and minorities in these dynamic and in-demand fields. We also possess a unique focus on how to bring the values of diversity and equity into instruction so educators can bring forward more women who may not have previously thought themselves worthy or capable of a STEAM career.

For our Aging Adult program, the nearest comparable organization is St Mary's Food Bank, which serves the western portion of Maricopa County through its food bank. However, YWCA Metropolitan Phoenix is the only organization that has taken up the responsibility to provide meals to residents in Glendale. In particular, through the partnership with Meals on Wheels, seniors in Glendale do not have to go without food because of a lack of transportation, or the inability to travel.

Tribute to Leadership focuses on women who embody the mission of YWCA Metropolitan Phoenix: eliminating racism, empowering women, and promoting peace, justice, freedom, and dignity for all. Our honorees generously contribute to their communities, set the gold standard for equity in leadership, and transform the Valley into a better place for all to thrive.

Similar programs also celebrate women in the community, like Phoenix Chamber of Commerce's ATHENA awards, but their focus on women and how they perform in business. While we join them in celebrating women who have risen to the "top of their field and who invest in their careers, their community, and especially other women," our focus is more deeply on social justice.

Letter Signer & Title:
Internal Comments:

Attachments

In-Kind Supporting Documentation:

Sponsorship Packet: 2024-YWCA-Tribute-to-Leadership-Partnership.pdf
Current Year Budget: 24-25 YWCA Org Budget.pdf
Last Year's Budget: FY23-24 Org Budget.pdf
Program Budget: FY23-24 YWCA Senior Programs Budget.pdf, FY23-24 YWCA Equity in STEAM Initiative Budget.pdf

Audited Financial Statements: FY 2021-22 YWCA Audit.pdf, 22-23 Audit Final Signed Financial Statements.pdf

Board of Directors Listing: 2024-2025 Board and Committee Roster.pdf
List of Corporate Contributors: FY23-24 Top Donors.pdf
Additional Attachment (1):
Additional Attachment (2):
Signed Letter & Non PO Payment Form:
Number of Events: 1

Event One

Event 1 Event Name: Tribute to Leadership
Event 1 Date: 03/26/2025
Event 1 Location : Footprint Center
201 E Jefferson St
Phoenix, AZ 85004
Event 1 Number of Attendees: 200
Event 1 Cash Requested: 5000
Event 1 In-Kind Requested: 0
Event 1 Other Event Info: TBD for 2025
Sponsors are given recognition through marketing, as well as video presentation throughout the award ceremonies
SRP Volunteer Opportunities? 1: Yes
Event 1 Net Proceeds Previous Year: \$109,000.00
Event 1 Other Event Sponsors : Yes
Event 1 Other Sponsors and Dollar Amount: Not determined yet for 2025
Event 1 Promo Booth: Yes
Custom Report:
Event 1 Name - Approved:
Event 1 Date - Approved:
Event 2 Name - Approved:
Event 2 Date - Approved:
Event 3 Name - Approved:
Event 3 Date - Approved:
Is your payee information different than your organization information that was previously provided?: No

Payment

Scan

No matches were found

Approval

Requested Amount: \$40,000.00
***Recommended Amount:**
Prior Approved Grants:
•2013 - - \$3,500.00
•2014 - - \$3,500.00
•2016 - - \$3,500.00
•2016 - - \$5,000.00
•2017 - - \$5,000.00
•2020 - Senior Meals Program - \$8,500.00
•2020 - COVID-19 Relief Funds - \$5,000.00
•2021 - Senior Meals - \$8,500.00

- 2022 - Senior Meals and Tribute - \$8,500.00
- 2022 - 110th Anniversary Partnership - \$6,500.00
- 2023 - Senior Programs and Yearlong Partnership - \$15,000.00
- 2023 - Equity in STEAM Initiative 2.0 - \$20,000.00
- 2024 - 2023 SRP Hispanic Heritage Award - \$2,500.00
- 2024 - Equity in STEAM Initiative - \$25,000.00
- 2024 - Senior Programming and Women's Empowerment Month - \$15,000.00

Request Status: External

Contact

Salutation: Ms.
***First Name:** Genevieve
Middle Name:
***Last Name:** Villegas
Vendor Number:
Title: Advancement Director
Title (CEO):
Address: 8561 N 61st Ave.
Address 2:
City: Glendale
State: Arizona
Province:
Country: United States
Zip/Postal Code: 85302
Telephone: 602-320-7283
Fax:
Email Address: genevieve@ywcaaz.org
Contact Type: Primary Contact
Creation Date: 04/03/2020
Last Saved By: 1000000010932963
Last Saved Date: 02-DEC-21 04.13.16.365414 PM
Notes:
***Internal Use Only?:** N
CEO First Name:
Principal Prefix:
CEO Last Name:
Mobile Phone:
CEO Email Address:
CEO Phone:
CEO Mobile Phone:
CEO/Executive Director Contact:
Person completing application:

Salutation:
***First Name:** Nikki
Middle Name:
***Last Name:** Eancheff
Vendor Number:
Title: Grants Manager

Title (CEO):
Address:
Address 2:
City:
State:
Province:
Country:
Zip/Postal Code:
Telephone: (602)677-9397
Fax:
Email Address: nikki.eancheff@yahoo.com
Contact Type:
Creation Date: 06/12/2019
Last Saved By: 1000000009580321
Last Saved Date: 12-JUN-19 05.34.57.242297 PM
Notes:
***Internal Use Only?:** N
CEO First Name:
Principal Prefix:
CEO Last Name:
Mobile Phone:
CEO Email Address:
CEO Phone:
CEO Mobile Phone:
CEO/Executive Director Contact:
Person completing application:

Organization

***Organization Category:** Basic Needs
Official Name: DIOCESAN COUNCIL FOR THE SOCIETY OF ST VINCENT DE PAUL DIOCESE PHOENIX
***Legal Name:** Diocesan Council for the Society of St Vincent de Paul Diocese Phoenix
***Address:** P.O. Box 13600
Address 2:
***City:** Phoenix
***State:** Arizona
***Zip/Postal Code:** 85002
***Main Telephone:** 602-254-3338
***Main Email Address:** rmclade@svdpaz.org
***Website Address:** www.stvincentdepaul.net
***Executive Director Name:** Shannon Clancy
***Executive Director Phone Number:** 602-261-6893
***Executive Director Email Address:** SClancy@svdpaz.org

Proposal

***Request Owner:** Karla Esparza
Request Source: External (Submitted 06/12/2024)
Proposal Type: General Grant Application
***Determination Status:** Ready for Two Week Intake
Strategy:
Organization Category: Basic Needs
Type of Request: Annual
Project Title: Homeless Prevention, Heat Relief & Workforce Development
In-Kind Request?: No
Request Amount: \$100,000.00
Requested Cash Amount: \$100,000.00
Cash Recommended:
In-Kind Recommended:
Describe Mission/Geographic Impact : At its core, St. Vincent de Paul (SVdP) is an organization that offers relief every day of the year: Relief from the devastating summertime heat. Relief from the worry and fear of losing your home and introducing your children to the cycle of homelessness. Relief from the anxiety that, once you find a home after being unsheltered, you will make a livable wage to cover its costs.

SVdP is a 78-year-old nonprofit in central and northern Arizona that fulfills the wrap-around needs--to be fed, clothed, housed and healed--of the poor, those experiencing homelessness, and volunteers seeking meaningful interactions. We have grown from a singular "Feed" mission in 1946 to a holistic one that promotes systemic change and greatly increased quality of life for those in need.

We have created an environment that surrounds guests with the proper resources to overcome their challenges and barriers, versus helping them move past one hurdle only to fail at the next. Our hope? That each person achieves his or her full potential and thrives in the community.

In this effort, we are proud of some of our 2023 achievements:

Feed: We fed 3.17M meals to the community and delivered 3.37M pounds of emergency food boxes to 168,000 families' doorsteps through a network of 81 neighborhood food banks.

House: We spent \$2.2M in rent/utility assistance to help people avoid homelessness, saving 1,800 households (5,400 individuals). We housed 1,500 people experiencing homelessness for 102,000 nights across 3 emergency programs, helping many navigate to economic stability and end their homelessness.

Program/Project tie to SRP Goals:

Heal: Our Medical, Dental and Chronic Disease Education Clinics served 4,685 uninsured patients across 18,700 visits.

SVdP's mission and service work directly align with SRP's Basic Needs priorities, as well as its focus on Diversity, Equity and Inclusion (DEI).

The populations SVdP serves through these programs are the homeless and the poor. We meet community members' needs across a continuum of care that addresses the health and resource disparities often disproportionately affecting low-income populations and racial/ethnic minorities.

Our approach is to not only provide for basic necessities, but to work at a higher level by providing dignity and a safety net of supportive wrap-around services. This approach uniquely helps each person work to achieve his or her full potential in the community.

DEI is imperative to fulfilling our mission. All are equal at St. Vincent de Paul. We do not distinguish between those who serve and those who are being served.

As an employer and a community-centered nonprofit organization, we actively seek to build a diverse and inclusive team with a wide range of backgrounds, perspectives, and skills to support the incredible diversity of the guests we serve. As such, we do not discriminate based upon race, ethnicity, religion, national origin, gender, sexual orientation, gender identity, gender expression, age, status as a veteran, status as an individual with a disability, and any other characteristics.

Project/Program Description: HEAT RELIEF

As we embark on our 2024 heat relief mission, this grant opportunity is so timely! We estimate we will hand out 7,000 bottles of water each day this summer, totaling more than 700,000 for the summer months, at a cost of \$110,000. Efforts also include extended payroll hours and shifts; food and essential supplies; case management and housing navigation; pet accommodations; and so much more.

Unique to St. Vincent de Paul's Heat Relief program is our offering of wrap-around support that includes immediate placement into one of SVdP's Interim Housing Shelter Communities for adults, as well as shelter navigation for families.

We estimate that this summer, throughout our 7 programs and locations dedicated to Heat Relief, we can serve up to 575 individuals daily. In August, SVdP will open 2 new Interim Housing Shelter Communities that will immediately bring an additional 171 men and women experiencing homelessness -- and their pets -- in from the oppressive heat. These community facilities will offer 24/7 accommodation and wrap-around services with the goals of healing, Workforce Development, and permanent housing -- in that order.

HOMELESSNESS PREVENTION

There is no better solution to homelessness than its prevention. However, rent and utility assistance is a dangerously underfunded solution, particularly now that COVID funding has run out. With funding for this program, our Family Services team will surround guests with the resources to overcome their challenges and setbacks. We will target one-time financial assistance to those who have the potential to regain self-sufficiency quickly, are sustainable over the long-term, and can prove the unexpected crisis. Payments are directed toward the landlord/mortgagee or utility company.

Since the beginning of our fiscal year on Oct. 1, 2023, through April 30, 2024, we have ensured almost 700 families remained housed. With \$872,884, we spent an average of just \$1,254 per family to prevent their homelessness. Alternatively, the cost of homelessness ranges from \$30,000 to \$60,000 per person per year.

WORKFORCE DEVELOPMENT

With a single grant and volunteers, SVdP piloted a Workforce Development program just 4 short years ago, and it has since taken off! In the last 6 months alone, we've had 110 participants, including 63 'graduates' who have moved on into the workforce and/or housing. One individual is even starting her own cleaning business, Kelly's Pro Cleaning Services, and is gearing up to take on cleaning bids.

St. Vincent de Paul's Workforce Development program caters to individuals experiencing homelessness who are actively looking to change their circumstances and be a part of a supportive community. The purpose is to remove the barriers keeping them out of work and homeless, so they can secure livable-wage employment and sustainably maintain housing. The program does this by creating or updating resumes; connecting participants with on-the-job training programs, certifications, education, skill-building programs, and employers; helping them obtain uniforms/equipment for the workplace; and navigating housing options.

Employment placements, though varied, do include a lot of warehouse work. Most program participants receive an average of approximately \$18/hour.

Each 'win' is a huge success for participants in our program. For example, finding full-time employment at minimum wage is celebrated. The immediate satisfaction and accomplishment of receiving regular wages and committing to a schedule are large steppingstones in each person's journey from homelessness. However, we don't want our participants to stop there. Our Case Managers encourage them to continue with education and certifications to follow their dreams and goals, and to overcome the cycle of poverty.

We are always on the lookout for community nonprofit and employer partners. Let us know if you are interested!

Program Metrics: HEAT RELIEF

We serve men and women experiencing homelessness in Coconino, Gila, La Paz, Maricopa, Mohave, Navajo, Pinal, and Yavapai counties. In the Valley, we expect to see at least 86,250 visits to our various heat respite locations, which includes 3 dining rooms, 2 heat relief cooling centers, and 2 water trucks roaming all of Maricopa County to relieve those folks dwelling far outside of services.

Our Heat Relief services have no barriers. All are welcome to sit in respite and heal from the effects of the weather.

The demographics for the people experiencing homelessness who we serve in the heat relief program include roughly 46% white, 28% African American, 19% Hispanic, 6% Native American, and 1% Native Hawaiian. 67% of folks are men, 32% are women, and 1% are transgender. 75% identify as having a disability. The largest age group, at 33%, is 55-69. Second is the age range of 45-54 at 22%.

HOMLESSNESS PREVENTION

With the swift increase in rents in the Valley, families are becoming homeless at an alarming rate --- seniors are the most-affected demographic. St. Vincent de Paul advocates keeping people in their homes over experiencing the devastating long-term consequences of homelessness.

Last year, we helped 1,800 families (that's 5,400 individuals) remain in their homes through rent, utilities, and other assistance that otherwise would have left these folks homeless. Though our 2024 program budget does not yet reflect it, our stretch goal is to be able to help 2,500 families every year with \$1,500-\$2,000 in one-time assistance.

To build a sustainable revenue source, we are piloting SVdP's first-of-its-kind 'Angels on Call' app, whereby donors, or Angels, are On Call to support a family in need in real-time. At the core of the Angels on Call program is a belief that, for every person experiencing a housing crisis, there is a donor generous enough to help keep that family housed. The app ensures a donor experience: Each donor learns about the very family s/he is supporting, offering a tangible, real-time social impact. In turn, the donor/Angel experiences a transformation themselves, by directly aligning with their own personal values. St. Vincent de Paul is merely the conduit.

WORKFORCE DEVELOPMENT

Because each guest presents with varying levels of workplace readiness and employment barriers, Case Managers develop Individualized Service Plans for each participant. This is a trend we learned early on, and it continues to drive the way we work with each Workforce participant.

In this individualized work, we expect to enroll between 250 and 300 participants this year. In the first quarter of 2024, we supported 73 people experiencing homelessness, of whom 51 secured employment and 13 secured housing. Additionally, 15 moved from the street into a transitional motel shelter, where they are saving money and looking for affordable permanent housing. 12 are enrolled in a training or certification program.

As for demographics, this program supports roughly 39% white; 33% Hispanic, 19% African American, and Native American, Asian and those who identify with multiple races.

Intended Use of SRP Funds: SRP funding will support Heat Relief activities and water for our various daytime Heat Relief shelter locations across the Valley; Homelessness Prevention activities, including wrap-around services and financial assistance; and Workforce Development activities to help segue men and women experiencing homelessness from the street into the workforce and housing.

Our 2024 Heat Relief operating budget is \$815,000. Our FY24 Homelessness Prevention budget is \$3,922,000. Our FY24 Workforce Development budget is \$449,000.

SRP Sponsorship Benefits: SVdP supports partnerships via our robust social media presence across Twitter, Facebook, Instagram and LinkedIn, with a combined following of more than 36,800 and average annual reach of 412,500.

We are open to defining a larger presence and partnership within the SVdP family, including logo placement and other opportunities.

Finally, we would be thrilled to discuss regular volunteer opportunities for SRP teams and family members. Whether SRP employees want to team-build on We Care Wednesdays, or bring the kids on the weekends, we are open to your support. We even have a dining room in Mesa for adult volunteers (49 W Broadway Rd, Mesa, AZ 85210).

Other Sources of Funding: Our programmatic work focuses on getting things done in partnership and collaboration, so that we do not duplicate the services offered throughout the community, but simply enrich them. We focus program work on prevention and emergency support for people in immediate crisis, and we promote dignity of care to alleviate suffering and deprivation.

To this end, we partner with dozens of like-minded local organizations and individuals to carry out this work, including the City of Phoenix, Maricopa County, and the State of Arizona.

Other Heat Relief funding comes from an array of strategic partnerships, individuals, corporations and foundations. For example, ABC TV helps promote need through a water drive that brings in water bottles and financial support from individuals. Additionally, local for-profit and foundation partners commit financial support and volunteers. A mixture of large foundations and individual 'Angels' support our Homelessness Prevention work. Workforce Development thrives on partnerships ranging from local employers and mobile banking services, to resume building and training programs.

Similar Organizations: Because SVdP doesn't just work to fulfill a singular need an individual may have, but his or her whole needs, our holistic "Feed -- Clothe -- House -- Heal" mission is one-of-a-kind in this community and space. Just as importantly, we fulfill our mission by promoting kindness, and by celebrating compassion through meaningful interactions that recognize the dignity and value of each person.

There is no other local agency that offers this holistic approach to preventing homelessness and future emergencies or supporting people experiencing homelessness.

Letter Signer & Title: Juana Hernandez, Community Stewardship Representative Sr.

Internal Comments: Requesting program support (\$100,000) for Heat Relief activities, Heat Relief shelter locations; Homelessness Prevention activities, and Workforce Development activities to help segue men and women experiencing homelessness from the street into the workforce and housing.

Attachments

In-Kind Supporting Documentation:

Current Year Budget: SVdP FY24 Consolidated Operating Budget_FINAL.pdf

Last Year's Budget: SVdP Financial Stmt FY23.pdf

Program Budget: SVdP Program Budgets.pdf

Audited Financial Statements: SVdP FY23 Audited Financial Statement.pdf

Board of Directors Listing: SVdP Board of Directors.pdf

List of Corporate Contributors: SVdP Major Gift Corporate Funders FY24.pdf

Additional Attachment (1):

Additional Attachment (2):

Signed Letter & Non PO Payment Form:

Number of Events: 0

Custom Report:

Event 1 Name - Approved:

Event 1 Date - Approved:

Event 2 Name - Approved:

Event 2 Date - Approved:

Event 3 Name - Approved:

Event 3 Date - Approved:

**Is your payee information different than
your organization information that was
previously provided?:** No

Payment

Scan

Score	Scanned Entity	Match	WatchList Name	WatchList Detail
100%	Jill Collins (Contact Full Name)	COLLINS, JILL	Excluded Party List System (EPLS)	COLLINS, JILL Listing: COLLINS, JILL - Individual Reason: Reciprocal Address: RIDGELAND MS 39571 USA Other: Active Date Other: Additional Comments Other: CT Code Other: Excluding Agency Other: Excluding Program Other: Excluding Type Other: Termination Date
100%	Jill Collins (Contact Full Name)	COLLINS, JILL	OIG Exclusions	COLLINS, JILL Listing: COLLINS, JILL - Individual Address: 307 PEAR ORCHARD RIDGELAND MS 39571 Occupation: IND- LIC HC SERV PRO Occupation: NURSE/NURSES AIDE DOB: 1979-05-03 Incident: 1128b4

96%	Jill Collins (Contact Full Name)	COLLINS-JOHNSON, JILL	Excluded Party List System (EPLS)	COLLINS-JOHNSON, JILL Listing: COLLINS-JOHNSON, JILL - Individual Reason: Reciprocal Address: HURRICANE WV 25526 USA Other: Active Date Other: Additional Comments Other: CT Code Other: Excluding Agency Other: Excluding Program Other: Excluding Type Other: Termination Date
96%	Jill Collins (Contact Full Name)	COLLINS-JOHNSON, JILL	OIG Exclusions	COLLINS-JOHNSON, JILL Listing: COLLINS-JOHNSON, JILL - Individual Address: 541 LYNN STREET HURRICANE WV 25526 Occupation: EMPLOYEE - PRIVATE S Occupation: PERSONAL CARE PROVID DOB: 1984-06-16 Incident: 1128a1

Last Scanned By: Elizabeth Armenta

Last Scanned Time: 06/25/2024 19:14:23 EST

Reason for scan: Submission for Approval

Match results must be accepted by the owner to clear red flag

Approval

Requested Amount: \$100,000.00

***Recommended Amount:**

Prior Approved Grants:

- 2016 - - \$5,000.00
- 2017 - - \$5,000.00
- 2017 - - \$500.00
- 2019 - Dollars for Doers Grant - \$1,000.00
- 2019 - Dollars for Doers Grant - \$1,000.00
- 2020 - Heat and Hunger Relief - \$5,000.00
- 2020 - Dollars for Doers Grant - \$500.00
- 2020 - Dollars for Doers Grant - \$250.00
- 2021 - Dollars for Doers Grant - \$500.00
- 2021 - COVID-19 Hunger Relief - \$10,000.00
- 2022 - Summer Heat Relief - \$7,500.00
- 2022 - Payroll Deduction Grant - \$2,055.00
- 2022 - Payroll Deduction Grant - \$1,214.40
- 2022 - Payroll Deduction Grant - \$2,538.80
- 2022 - Payroll Deduction Grant - \$809.60
- 2022 - Dollars for Doers Grant - \$250.00
- 2022 - Payroll Deduction Grant - \$809.60
- 2022 - Payroll Deduction Grant - \$809.60
- 2022 - Payroll Deduction Grant - \$10.00
- 2022 - Payroll Deduction Grant - \$809.60
- 2022 - Payroll Deduction Grant - \$15.00
- 2022 - Payroll Deduction Grant - \$30.00
- 2022 - Payroll Deduction Grant - \$30.00

- 2022 - Payroll Deduction Grant - \$809.60
- 2022 - Equipment Donation: 240 CamelBaks - \$8,400.00
- 2023 - Payroll Deduction Grant - \$1,053.32
- 2023 - Payroll Deduction Grant - \$1,053.32
- 2023 - Payroll Deduction Grant - \$1,053.32
- 2023 - Payroll Deduction Grant - \$1,053.32
- 2023 - Payroll Deduction Grant - \$1,579.98
- 2023 - Payroll Deduction Grant - \$1,862.92
- 2023 - Payroll Deduction Grant - \$20.00
- 2023 - Payroll Deduction Grant - \$1,379.32
- 2023 - Payroll Deduction Grant - \$10.00
- 2023 - Payroll Deduction Grant - \$1,053.32
- 2023 - Payroll Deduction Grant - \$1,579.98
- 2023 - Payroll Deduction Grant - \$1,063.32
- 2023 - Antibacterial Wipes - \$44.00
- 2023 - Payroll Deduction Grant - \$1,053.32
- 2023 - Homeless prevention and heat relief - \$25,000.00
- 2023 - Dollars for Doers Grant - \$250.00
- 2024 - Homelessness Prevention & Heat Relief - \$45,000.00
- 2024 - Payroll Deduction Grant - \$1,191.46
- 2024 - Payroll Deduction Grant - \$1,191.46
- 2024 - Payroll Deduction Grant - \$1,787.19
- 2024 - Dollars for Doers Grant - \$500.00
- 2024 - Payroll Deduction Grant - \$1,191.46
- 2024 - Payroll Deduction Grant - \$2,102.46
- 2024 - Payroll Deduction Grant - \$1,053.32
- 2024 - Donate via Credit Card Grant - \$300.00
- 2024 - Payroll Deduction Grant - \$1,191.46
- - - \$0.00

Request Status: Pending

Approval Step 1: Owner Step Definition

Performed By: Elizabeth Armenta

Completed: 06/25/2024

Result: Defined

Approval Step 2: Recommend / Do Not Recommend

Performed By:

Completed:

Result:

Comments:

Approval Step 3: Request Owner Approval

Performed By:

Completed:

Result:

Comments:

Contact

Salutation:

***First Name:** Jill
Middle Name:
***Last Name:** Collins
Vendor Number:
Title: Grants Manager
Title (CEO):
Address:
Address 2:
City:
State:
Province:
Country:
Zip/Postal Code:
Telephone: 602-740-5898
Fax:
Email Address: jcollins@svdpaz.org
Contact Type:
Creation Date: 03/24/2022
Last Saved By: jmartyn
Last Saved Date: 15-SEP-22 02.23.18.101578 AM
Notes:
***Internal Use Only?:** N
CEO First Name:
Principal Prefix:
CEO Last Name:
Mobile Phone:
CEO Email Address:
CEO Phone:
CEO Mobile Phone:
CEO/Executive Director Contact:
Person completing application:

Organization

***Organization Category:** Basic Needs
Official Name: UMOM NEW DAY CENTERS INC
***Legal Name:** UMOM New Day Centers
***Address:** 3333 E Van Buren St
Address 2:
***City:** Phoenix
***State:** Arizona
***Zip/Postal Code:** 85008-6812
***Main Telephone:** 602.275.7852
***Main Email Address:** philanthropy@umom.org
***Website Address:** www.umom.org
***Executive Director Name:** Jackson Fonder
***Executive Director Phone Number:** 623.401.1922
***Executive Director Email Address:** jfonder@umom.org

Proposal

***Request Owner:** Karla Esparza
Request Source: External (Submitted 07/02/2024)
Proposal Type: General Grant Application
***Determination Status:** Ready for Two Week Intake
Strategy:
Organization Category: Basic Needs
Type of Request: Annual
Project Title: UMOM's Family Emergency Shelter and Services
In-Kind Request?: No
Request Amount: \$45,000.00
Requested Cash Amount: \$45,000.00
Cash Recommended:
In-Kind Recommended: \$0.00

Describe Mission/Geographic Impact : UMOM's comprehensive, life-changing programs target one of the most at-risk populations -- homeless families experiencing trauma. UMOM is the largest provider of family emergency shelter in Maricopa County operating 75% of available shelter beds. Founded in 1964, UMOM has 60 years of experience serving the homeless population in the Phoenix Metropolitan Area including 32 years of experience operating a full-service Emergency Shelter. UMOM effectively leverages its wrap-around service model spanning coordinated entry, shelter, housing, workforce development, health care and supportive services to holistically serve the most vulnerable families in a coordinated and efficient manner. Our organizational experience, paired with a dedicated workforce development team and an established employment training program, makes UMOM uniquely positioned to best serve those experiencing homelessness.

UMOM's mission is to end family homelessness by restoring hope and rebuilding lives. Last fiscal year (7.1.22-6.30.23) we served 13,381 individuals across all services, and 51% of the clients in our Family Emergency Shelter are under 18 years of age. The children of our clients come from situations where childcare is inconsistent, school attendance is often disrupted, exposure to trauma is high, access to appropriate medical services is lacking, and food instability is common. Children and youth are supported through our on-site Boys & Girls Clubs which foster a safe and positive environment. Our on-site Workforce Development Program helps our adult clients prepare and apply for employment and works with our community employment partners to directly place clients in livable wage jobs. We also provide physical and mental healthcare through our on-site Wellness Clinic, and partner with Phoenix Children's Hospital and Circle the City to provide treatment for our clients of all ages. The need for UMOM's emergency and services is urgent, and the lasting impact of UMOM's action is providing immediate and sustainable relief for struggling families.

Program/Project tie to SRP Goals:

UMOM is trying to overcome the homeless epidemic in Maricopa County by focusing on the quality of care we can provide to our clients and ensuring that our programming is continuously meeting the needs of our community. We also have nine affordable housing complexes and are committed to adding one new affordable housing complex every year. We are challenged by knowing that the wait list for shelter is currently six weeks long. Many of our clients are fully or partially employed when they find themselves unable to make ends meet and lose their homes. The number of people living paycheck to paycheck increased from 52% in April 2021 to 64% in January 2022 (LendingClub Bank). In the Phoenix Metro Area, the cost of living has skyrocketed. Between 2016-2021, rent increased by 80% while the median household income only rose by 22% during the same period (PBS Arizona). Unsheltered homelessness in Maricopa County has increased by 62% since 2012 (Arizona Department of Economic Security) largely due to the lack of affordable housing and local inflation of 13%. Our solution is to help our clients find affordable housing and livable wage jobs to improve their lives and permanently end their homelessness.

The homeless children and youth living at our Family Emergency Shelter had been living in uncertainty for many months before coming to UMOM. They have been living in hotels, in their family car, or on the street while their family waited for a shelter unit to become available. Right now, there are 250 families on the wait list for family shelter in Maricopa County and children endure inordinate amounts of stress as they worry about when they will be able to eat and when they will be able to live in a safe environment. Homeless families are often invisible to the community because they spend most of their time hiding from the public to prevent being reported and having their children taken away. At UMOM our goal is to keep these families together. By supporting homeless parents through affordable housing and livable wage jobs we help alleviate their desperation and guide them to real solutions so they can keep their children and provide them with a healthy life. By eliminating barriers and providing trauma-informed care to the whole family, UMOM is successfully moving homeless children from the streets to a stable, caring home where they can begin to thrive.

UMOM directly aligns with SRP's corporate giving guidelines of providing food, shelter, safety, and other essentials to help underserved communities become self-sufficient. Implementation of UMOM's emergency shelter program is ongoing. It is designed to end homelessness for the most vulnerable and at-risk households in Maricopa County. We accomplish this by having the least restrictive criteria of any family shelter provider in Maricopa County and offering a nurturing environment to meet the needs of the families dealing with traumatic life experiences. UMOM believes that jobs and housing are the formula for success and will serve as a solution to ending homelessness for the most vulnerable households in Maricopa County.

Project/Program Description: Our Family Emergency Shelter Program works toward breaking the cycle of homelessness for each family and their future generations. The core services of the shelter program include: 1:1 case management; employment services to help individuals secure and maintain employment; advocacy with property management companies, landlords, courts, and partnering agencies; connection to community resources; and supportive services for children and youth. We strive for positive, meaningful outcomes that promote community change, and we know this starts with the attainment of affordable housing and sustainable income. Our case management staff at our Family Emergency Shelter Program works with clients to build a housing plan focused on their personal housing goals. The Service Prioritization Decision Assistance Tool (SPDAT) for families is used to determine clients' areas of highest acuity (the areas that are most likely to prevent housing stability), set case plans goals, and track changes over time. The SPDAT helps the case manager and client to determine the most relevant case plan goals to assist in ending their homelessness.

UMOM's Data and Evaluation Department is dedicated to collecting and analyzing data in order to drive real-time decision making, improve program performance, and allow for healthy organizational learning. UMOM's performance improvement and evaluation strategy includes ongoing review of progress toward program outcomes using program dashboards for staff to monitor program performance. To track client progress, UMOM utilizes a web-based database through Social Solutions-- Efforts to Outcomes (ETO) with an ETO/Homeless Management Information System (HMIS) platform. UMOM also runs the Family Housing Hub which is the coordinated point of entry for family emergency shelters in Maricopa County. This Hub allows homeless families to complete an intake evaluation in-person or virtually and be placed on one shared master list for all family emergency shelters in Maricopa County rather than clients having to complete a separate intake at every individual shelter. This eliminates multiple barriers for clients and allows them to have the quickest access to shelter. UMOM's case management team meets weekly to assess all client cases at their 30-day, 60-day, and 90-day mark and determine the next best steps for each client. These weekly meetings provide a venue for the development of best practices and peer-to-peer learning which contributes to meeting and/or exceeding performance standards.

Our approach to case management focuses on building meaningful relationships with clients to create open communication. Homelessness is a traumatic experience, and the impact of traumatic stress often makes it difficult for people experiencing homelessness to cope with the numerous obstacles they face in the process of ending their homelessness. We believe a trauma-informed approach to case management, and through all client-staff interactions, empowers families to build on their own strengths. We also utilize Motivational Interviewing to engage families in programs and services to strengthen their self-sufficiency in order to obtain and maintain permanent housing. This methodology leads to trust and rapport building and is essential to our program strategy. It encourages case managers to identify additional supports that may significantly reduce the need for shelter, such as reconnecting with friends or family.

Our on-site Wellness Center at UMOM provides critical services for families experiencing homelessness. In FY23, we had 2,259 visits from patients and their families. Homelessness exacerbates chronic health conditions, and our clients need immediate and continuing medical care when they enter shelter. Our partnerships with Phoenix Children's Hospital and Circle the City allow us to serve all ages (even newborns) and continue to see patients even after they leave UMOM shelter. Our Wellness Center provides the following services: annual well visits (vaccinations, blood work screenings, hearing/vision tests, developmental screenings, mental health screenings, and health education); acute sick visits (treatment for any acute health concerns including fevers, cough, rashes, and abdominal pain); management of chronic health issues like asthma, allergies, obesity, and referrals to specialists; reproductive health care like contraceptives and STI testing and treatment; individual and family therapy, two mental health therapists, and one part-time psychiatrist; and an on-site pharmacy where we can dispense many medications for patients without insurance and utilize a delivery service to eliminate the barrier of transportation. In addition, we have more than 35 partnerships with other local healthcare providers to connect clients with the most appropriate services and essential resources in the community.

UMOM's Boys & Girls Clubs provide care and services after school from 3:30 pm-7:00 pm and during the summer from 9:30 am-5:00 pm and they can have their meals delivered to them through our Residential Dining Services. Youth participate in a variety of activities including tutoring, classes in art, music, technology, and physical education. The Boys & Girls Clubs provide quality services at UMOM and focus on the following five priority outcomes: building a safe and positive environment; establishing supportive relationships; creating fun; offering opportunities while setting expectations; and providing recognition. We also offer Career Pathways and Workforce Readiness Programs to our homeless teens including a variety of internships with partners across Arizona. Together we help our youth find academic success, develop good character, and create healthier lifestyles.

At UMOM, we believe that earned income and job stability are critical components to ending homelessness, without those things, it is nearly impossible to sustain stable housing. UMOM's Employment Center is a service that is available to our residents that allows them to gain the skills and support they need to maintain employment and budget their income. The goal of this program is to support participants in achieving and maintaining quality, sustainable employment while building long-term skills to improve housing stability and quality of life. Clients participate in job readiness classes, mock interviews, resume writing assistance, financial literacy classes, soft-skills training, job searches, job placements, and educational workshops. The Employment Center is equipped with a computer lab and resources to support each client (training rooms for one-on-one and group meetings, work readiness items including tools, uniforms, bus passes, etc.). Our skilled and knowledgeable Workforce Development staff receive ongoing training in evidence-based practices to better serve our vulnerable, high needs population. Clients also receive job training through our Homegrown Job Readiness Program where they receive the official Starbucks barista training, line chef training in our industrial sized kitchen (we prepare more than 280,000 meals annually for our clients), and front of house/soft skills training (taking orders and payments).

We connect clients directly with our partner employers who are committed to our client's success, providing bus passes or transportation to attend the interview, and providing five professional outfits after they secure a job. UMOM is working to end homelessness with innovative strategies and solutions that meet the unique needs of each client. Our goal is to help homeless families make systemic changes to improve their lives.

This funding will help provide our adult clients with financial literacy classes, employment assistance (Food Handlers' Certificates, work clothes, gas gift cards, etc.), job training, resume preparation, and all other support needed to secure a livable wage job. Financial literacy is a core component of case plan goals. In addition to case managers working 1:1 with their clients with a focus on immediate budgeting, our Workforce Development Program holds a financial literacy workshop two times each month where they teach about financial topics including credit information, family budgeting, savings, and how to financially project. Case managers help clients implement the tools they need to regain financial control of their future. Steady employment and affordable housing are the key to permanently exiting homelessness and UMOM remains committed to helping our clients achieve their housing and financial goals.

When it comes to making change in our community, good intentions are not enough; positive, meaningful outcomes are what matter. UMOM's program model is informed by our firm belief that people can become more than their past circumstance, and that everyone deserves the opportunity for a better life. We do not manage homelessness, we end homelessness. UMOM strives to serve each family and provide safety, security, and dignity. This combined approach to housing and income sets up more clients to self-resolve their homelessness, rather than a traditional approach; shelters that do not have an integrated workforce development component to the program design.

UMOM's Data and Evaluation Department tracks all our clients throughout their time at UMOM and we define our success by continuously listening to our clients as their needs change over time, and achieving the following outcomes: 100% of clients will be connected to UMOM case management staff, understand the program rules, culture and expectations, and work on case plan development; 100% of clients will have access to intensive trauma-informed mental health care; 80% of clients will exit to permanent housing; 80% of adults will maintain or increase their total income at program exit (earned income plus other cash benefits); 70% of adults will maintain or increase their earned income at program exit; 90% of adults will be connected to mainstream benefits in their community at program exit.

Program Metrics:

UMOM served 13,381 clients through our programming and services last fiscal year. We serve homeless families and single women throughout Maricopa County. 63% of our clients are women and 22% of our clients have a disabling condition. Demographically, our clients are 5.4% American Indian, Alaska Native, or Indigenous; 0.5% Asian; 44.2% Black or African American; 30.2% Latinx; 0.6% Native Hawaiian or Other Pacific Islander; 18.6% White; 0.5% Unknown. We serve clients of all ages and in FY23 38.9% were Children ages 0-12; 11.2% were Children ages 13-17; 7.3% were Young Adults ages 18-24; 39.8% were Adults ages 25-61; and 2.8% were Seniors ages 62+.

UMOM serves the homeless population of Maricopa County. In Phoenix (85008) we have our UMOM New Centers (emergency family shelter), and the Halle Women's Shelter. We also own and operate the following affordable housing complexes: Legacy Crossing I (Phoenix, 85008), Legacy Crossing II (Phoenix, 85008), Casa de Paz Apartments -- Sahuaro (Phoenix, 85020), Parsons Village (Phoenix, 85020), Casa de Paz Apartments -- Sunland (Phoenix, 85040), South 7th Village (Phoenix 85040), Newsom Village (Phoenix, 85040), 19 West (Phoenix, 85021), and Bethany Crossing (Glendale, 85303).

Intended Use of SRP Funds: We are so grateful for the opportunity to apply for \$45,000 in funding for our Family Emergency shelter. This funding will provide 1,800 bed nights of safe shelter and services for homeless families in Maricopa County. We will provide a compassionate and experience case manager, a safe and comfortable place to sleep, three meals a day, medical care, clothes, hygiene supplies, workforce development and job training opportunities, and all the support our clients need to permanently end their homelessness.

SRP Sponsorship Benefits: UMOM is committed to going above and beyond to recognize SRP and their financial contributions to supporting UMOM and our Family Emergency Shelter. We are committed to promoting our community partners, and we will collaborate with SRP to tailor communications and create press releases. We will also create promotions on Facebook (10,700 followers), Instagram (3,400 followers), LinkedIn (4,360 followers), and Twitter (2,931 followers). We would also love to host a check presentation and provide an on-site tour at our Family Emergency Shelter for any SRP staff, board, or volunteers.

Other Sources of Funding: The following partners support our clients in receiving health care: Circle the City, adult healthcare; Community Bridges Inc., Integrated behavioral healthcare; Community Family Services, licensed outpatient treatment center; Ebony House, substance abuse and recovery; Empact / La Frontera, suicide prevention; Hushabye Nursery, NAS healthcare; Jewish Family Services, behavioral healthcare and social services; Lifewell, mental illness; Midwestern University, dental care; Open Hearts Family Wellness, telemental healthcare; Phoenix Children's Hospital, 0-18 healthcare; Southwest Behavioral Health, mental healthcare; Terros Health, physical healthcare; and, Urgent Psychiatric Center, mental healthcare.

The following partners support our clients by providing workforce development and education, job training, and employment: A New Leaf, AAA Landscape, ABM, Adecco Staffing, All Arizona Construction Staffing, All My Sons, Allied Universal, AllStar Movers, Amazon, American Western Distribution, Anodyne Independent Living, Arizona Biltmore Waldorf Astoria, Arizona Cardinals Football Club, Arizona Care Providers, Arizona Grand Resort & Spa, Arizona Multihousing Association, Avanti Window and Doors LLC, Avila Retail Development & Management, Axlehire, Arizona at Work, BBVA Compass, Bimbo Bakeries USA, Burns Pest Elimination, BMO Bank, Camelback Moving, Capistranos Bakery, Caretaker Landscape & Tree Management, ChildCare Careers, Citi AZ, Creative Moving & Packing LLC, Crothall Healthcare Laundry & Linen Services, Cyrcrom, Desert Diamond Casino, Entryway, FedEx, FHI Works, Freeway Insurance, Fry's Marketplace, Full Armor Protection Group, Gap, Get Your Move On, Gridiron Fulfillment, Habitat For Humanity, Hertz, Hotel Pro, Hyatt, iQoR, Iron Mountain, Kear Civil Corp, Madera Components, Maleko Personnel, Marathon Staffing, Marriott, Master Electronics, Muscular Moving Men, New Age Movers, Oakland Construction, Peckham, Progressive Roofing, Raven Concrete, Renaissance Hotel (Marriot), S & M Moving Systems, Safelite, Salad & Go, Saturn Concrete, Securitas, Shamrock, Sky Chef Airport, Soft Touch Moving & Packing, Solari Crisis Response, Southwest Baking, Southwest Forest Products, Southwest Network, Staff Force, State Farm, Superior Clean Right, Swift Transport, Sysco, Totalride, Transdev, TrueNet Communications, Two Men & a Truck, U-Haul, United Right of Way, Upper Crust Bakery, UPS/M3 Partners LLC, Valley Metro, Verizon, White Water Bottling, and XPO Logistics Inc.

Similar Organizations:

Maricopa County is lucky to have several community organizations that are dedicated to ending homelessness including Keys To Change, St. Vincent de Paul, Central Arizona Shelter Services, YMCA, and the Phoenix Rescue Mission. UMOM leverages the expertise and experience offered by our partners to ensure that clients receive the highest level of care and the support needed to end their homelessness. When it comes to making change in our community, good intentions are not enough; positive, meaningful outcomes are what matter. UMOM's program model is informed by our firm belief that people can become more than their past circumstance, and that everyone deserves the opportunity for a better life. We do not manage homelessness, we end homelessness. UMOM strives to serve each family and family member with safety, security, and dignity. This combined approach to housing and income sets up more clients to self-resolve their homelessness, rather than a traditional approach; shelters that do not have an integrated workforce development component to the program design. Supporting the homeless youth in our shelters is one of our highest priorities. Homeless youth have been operating in crisis mode while their families try to find a safe place to sleep each night. While their caretakers are working with case managers to find affordable housing and a livable wage job, we ensure that youth have transportation to their home school, three meals a day, and a nurturing environment through activities and mentorship at our on-site Boys & Girls Clubs which provide care after school and during the summer.

Funding from SRP will help UMOM continue to exceed community standards in homelessness. Clients exit UMOM's Family Emergency Shelter to permanent housing at a rate of 80% while the community standard is only 64%. Additionally, 37% of UMOM's clients exit shelter with gained employment while the community standard of gained employment after exiting shelter rests at 24%. UMOM has the solution to ending family homelessness and with the help of our community partners we are able to continue making a lasting impact in Maricopa County.

Letter Signer & Title:

Internal Comments: Operating support for UMOM's Family Emergency Shelter and Services.

Attachments

In-Kind Supporting Documentation:

Current Year Budget: UMOM_FY24_Organization Budget.xlsx

Last Year's Budget: UMOM Org Budget FY 23.pdf

Program Budget: UMOM_FY24_Shelter Budget.pdf

Audited Financial Statements: UMOM Financial Statements 22-23.pdf

Board of Directors Listing: UMOM Board of Directors 2024.pdf

List of Corporate Contributors: SRP_UMOM FY24 Corporate Giving.pdf

Additional Attachment (1):

Additional Attachment (2):

Signed Letter & Non PO Payment Form:

Number of Events: 0

Custom Report:

Event 1 Name - Approved:

Event 1 Date - Approved:

Event 2 Name - Approved:

Event 2 Date - Approved:

Event 3 Name - Approved:

Event 3 Date - Approved:

Is your payee information different than your organization information that was previously provided?: No

Payment

Scan

No matches were found

Approval

Requested Amount: \$45,000.00
***Recommended Amount:** \$45,000.00
Prior Approved Grants:

- 2013 - UMOM Emergency Shelter & Gala Event - \$0.00
- 2014 - - \$9,000.00
- 2014 - - \$250.00
- 2015 - - \$10,000.00
- 2015 - - \$25,000.00
- 2016 - - \$10,000.00
- 2017 - UMOM's Capital Campaign Renovations - \$130,000.00
- 2017 - - \$5,000.00
- 2018 - Child Development Center - \$5,000.00
- 2019 - Dollars for Doers Grant - \$250.00
- 2019 - UMOM Walk the Walk to End Homelessness - \$480.00
- 2019 - Dollars for Doers Grant - \$1,000.00
- 2019 - UMOM Youth Shelter Services and 2018 Buckles & Bangles Sponsorship - \$20,000.00
- 2020 - UMOM Emergency Shelter Services and 2019 Buckles & Bangles Gala Sponsorship - \$20,000.00
- 2021 - Emergency Shelter for Homeless Families - \$10,000.00
- 2021 - Emergency Shelter for Homeless Families & 2020 Buckles & Bangles Gala Sponsorship - \$20,000.00
- 2022 - Family Emergency Shelter and Buckles & Bangles Gala - \$20,000.00
- 2022 - Payroll Deduction Grant - \$3,570.00
- 2022 - 2022 PVSA Katy Heth - \$2,500.00
- 2022 - Payroll Deduction Grant - \$2,127.00
- 2022 - Payroll Deduction Grant - \$5,280.00
- 2022 - Payroll Deduction Grant - \$1,418.00
- 2022 - Payroll Deduction Grant - \$1,418.00
- 2022 - Payroll Deduction Grant - \$1,418.00
- 2022 - Payroll Deduction Grant - \$1,403.00
- 2022 - Payroll Deduction Grant - \$1,418.00
- 2023 - Donate via Credit Card Grant - \$22.00
- 2023 - Payroll Deduction Grant - \$1,292.00
- 2023 - Donate via Credit Card Grant - \$22.00
- 2023 - Payroll Deduction Grant - \$1,296.00
- 2023 - Donate via Credit Card Grant - \$22.00
- 2023 - Payroll Deduction Grant - \$1,292.00
- 2023 - Donate via Credit Card Grant - \$22.00
- 2023 - Payroll Deduction Grant - \$1,950.00
- 2023 - Donate via Credit Card Grant - \$22.00
- 2023 - Payroll Deduction Grant - \$2,714.00
- 2023 - Payroll Deduction Grant - \$104.00
- 2023 - Donate via Credit Card Grant - \$22.00
- 2023 - Payroll Deduction Grant - \$2,237.00
- 2023 - Donate via Credit Card Grant - \$22.00
- 2023 - Donate via Credit Card Grant - \$22.00

- 2023 - Antibacterial Wipes - \$884.00
- 2023 - Payroll Deduction Grant - \$1,292.00
- 2023 - Donate via Credit Card Grant - \$22.00
- 2023 - Payroll Deduction Grant - \$1,938.00
- 2023 - Donate via Credit Card Grant - \$22.00
- 2023 - Payroll Deduction Grant - \$1,311.00
- 2023 - Donate via Credit Card Grant - \$22.00
- 2023 - Family Emergency Shelter and Buckles & Bangles Gala - \$25,000.00
- 2023 - Payroll Deduction Grant - \$1,292.00
- 2023 - Donate via Credit Card Grant - \$22.00
- 2023 - Payroll Deduction Grant - \$1,306.00
- 2024 - Donate via Credit Card Grant - \$65.00
- 2024 - Payroll Deduction Grant - \$1,342.00
- 2024 - Donate via Credit Card Grant - \$65.00
- 2024 - Payroll Deduction Grant - \$1,417.00
- 2024 - Donate via Credit Card Grant - \$65.00
- 2024 - Payroll Deduction Grant - \$2,125.50
- 2024 - Donate via Credit Card Grant - \$65.00
- 2024 - Dollars for Doers Grant - \$250.00
- 2024 - Payroll Deduction Grant - \$1,417.00
- 2024 - Donate via Credit Card Grant - \$130.00
- 2024 - Payroll Deduction Grant - \$1,910.00
- 2024 - UMOM's Family Emergency Shelter - \$45,000.00
- 2024 - UMOM's 60th Anniversary Diamond Sponsorship - \$60,000.00
- 2024 - Payroll Deduction Grant - \$1,292.00
- 2024 - Donate via Credit Card Grant - \$65.00
- 2024 - Payroll Deduction Grant - \$1,417.00
- - -
- - - \$0.00
- - - \$0.00
- - -

Request Status: Pending

Approval Step 1: Owner Step Definition

Performed By: Karla Esparza / Community Engagement Strategist

Completed: 07/08/2024

Result: Defined

Approval Step 2: Recommend / Do Not Recommend

Performed By:

Completed:

Result:

Comments:

Approval Step 3: Request Owner Approval

Performed By:

Completed:

Result:

Comments:

Contact

Salutation: Dr.
***First Name:** Ashley
Middle Name:
***Last Name:** Oakley
Vendor Number:
Title: Director of Philanthropy
Title (CEO):
Address:
Address 2:
City:
State:
Province:
Country:
Zip/Postal Code:
Telephone: 480.221.0563
Fax:
Email Address: aoakley@umom.org
Contact Type:
Creation Date: 06/26/2023
Last Saved By: 1000000014781389
Last Saved Date: 02-JUL-24 01.34.44.061061 PM
Notes:
***Internal Use Only?:** N
CEO First Name:
Principal Prefix:
CEO Last Name:
Mobile Phone:
CEO Email Address:
CEO Phone:
CEO Mobile Phone:
CEO/Executive Director Contact:
Person completing application:

Organization

***Organization Category:** Basic Needs
Official Name: THE SALVATION ARMY
***Legal Name:** The Salvation Army, A California Corp. operating as the Southwest Division
***Address:** 2707 E Van Buren Street
Address 2:
***City:** Phoenix
***State:** Arizona
***Zip/Postal Code:** 85008-6039
***Main Telephone:** 6022674292
***Main Email Address:** kimberly.thompson@usw.salvationarmy.org
***Website Address:** <http://www.salvationarmysouthwest.org/>
***Executive Director Name:** Charles Fowler
***Executive Director Phone Number:** 602-267-4165
***Executive Director Email Address:** Charles.Fowler@usw.salvationarmy.org

Proposal

***Request Owner:** Karla Esparza
Request Source: External (Submitted 07/12/2024)
Proposal Type: General Grant Application
***Determination Status:** Scheduled for Committee
Strategy:
Organization Category:
Type of Request:
Project Title: Metro Phoenix-Heat Relief, Water and Community Safety, Silver Bells 130th Anniversary, Spring Golf Event and East Valley Heat Relief FY2025
In-Kind Request?: No
Request Amount: \$50,000.00
Requested Cash Amount: \$50,000.00
Cash Recommended:
In-Kind Recommended:
Describe Mission/Geographic Impact : The Salvation Army is a nonprofit social service agency dedicated to caring for the hungry, the homeless, the poor, and the marginalized members of our society. The founders of The Salvation Army envisioned meeting human need without discrimination by providing food, shelter, and hope. Their vision has grown into the worldwide social service programs of today's Salvation Army. Aid is given wherever, whenever, and however the need is apparent, without distinction of race or creed. The Salvation Army's mission statement is: The Salvation Army, an international movement, is an evangelical part of the universal Christian church. Its message is based on the Bible. Its ministry is motivated by the love of God. Its mission is to preach the gospel of Jesus Christ and to meet human needs in His name without discrimination.

During CY2023, The Salvation Army provided assistance, care, and support to 382,679 men, women, and children throughout the state of Arizona. This was a 64% increase in service delivery over CY2022, with 81% of all assistance types distributed to residents living in the Metro Phoenix area.

Program/Project tie to SRP Goals: In the same spirit of SRP's desire to support safe and healthy communities, The Salvation Army's Heat Relief Efforts, and human service programs help meet SRP's priorities through:

- Offering programs that reach out to under-served communities to promote individuals' ability to overcome barriers and be self-sufficient.
- Offering programs that seek to highlight the constant need for water and electric safety.

Project/Program Description:

Metro-Phoenix Heat Relief Efforts (\$10,000) are in response to any Excessive Heat Warnings issued by the National Weather Service (NWS), The Salvation Army activates heat relief efforts and cooling stations throughout the Valley of the Sun, and our Chandler Corps provides a robust, Day Respite Center which is open each day, Monday-Saturday from 9am-7pm. Cooling stations are open on excessively hot days and anyone in need is invited to come in to get a few minutes of respite from the heat in a cool, comfortable setting. Cooling stations provide free water bottles, along with heat relief items to try and keep vulnerable people safe during the extreme heat. All The Salvation Army's heat relief efforts, cooling stations, or cooling centers follow the local recommended health guidance to ensure the safety of those who depend on The Salvation Army's programs and services, along with the safety of our officers, staff, and volunteers. Most of our heat relief stations are also pet-friendly, so clients can receive assistance without fear and take respite from the elements. Additionally, a mobile hydration unit is dispatched to target areas frequented by those who are experiencing homelessness in the area to serve as many people as possible.

When any Excessive Heat Warning is in effect, the following heat relief cooling stations will open their space to the public to access heat relief and hydration items from 11 a.m. to 5 p.m. daily (except for the Chandler Corps-it is open all summer):

*Apache Junction Corps, 605 E. Broadway Ave.

*Estrella Mountain Corps, 11 N. Third Ave.

*Chandler Corps, 85 E. Saragosa St.

*Glendale Corps, 6010 W. Northern Ave.

*Mesa Corps, 241 E. Sixth St.

*Phoenix Citadel Corps, 628 N. Third Ave.

*Phoenix Maryvale Corps, 4318 W. Clarendon Ave.

*Ray & Joan Kroc Corps Community Center South Mountain, 1375 E. Broadway Road

*The Salvation Army Phoenix Family Services Office, 2707 E. Van Buren St., Bldg. 2

*North West Valley Corps, 17420N. Avenue of the Arts Blvd.

*Tempe Corps, 4701 S. Lakeshore Drive Suite 3

The Chandler Corps provides a Day Respite Center (\$10,000) with daytime activities (movies, space to meet with case managers from other agencies, etc.) free hydration items such as water, lunch, snacks, electrolyte drinks along with other heat relief items (SPF, lip balm, heat/health related educational information, cool bandanas, etc.). This site also has a resource room with lockers, day-time cots, laundry machines and dryers, and a shower station. Vulnerable populations can spend several hours at the Chandler site during the summer months. This location is open daily, Monday-Saturday from 9-7pm, and on Sunday's when an Extreme Heat warning is issued. The Chandler Day Respite Center will be open starting May 1, 2024, through September 30, 2024.

Kroc Center-Safe in the Water/Verano Santo Program (\$10,000) The Kroc Center offers swim assessments, and youth who do not pass the swim assessment receive a voucher for free swim lessons.

Emergency Rental Assistance (\$10,000) The Salvation Army offers multiple intervention strategies to meet people at their point of need. The Emergency Assistance Program (EAP) provides families and individuals with financial and material help (rent, utilities, food, clothing, prescriptions, transportation, and other necessities), referrals, financial literacy, and advocacy. The EAP is available at several valley corps and provides social services to residents experiencing a financial crisis. The Emergency Assistance Program provides clients with the assistance they need to stay in their homes, keep their utilities on and feed their families. Most services are provided on a one-time basis, and those with on-going needs are referred to longer-term programs. Funds received from this request will target South Mountain and Metro-Phoenix families who are facing housing instability and are at imminent risk of eviction unless they receive rental assistance support to bring them current with the lease.

Silver Bells Celebration and 130th Anniversary Sponsorship (\$5,000)

Saturday, November 2nd, at The Vault of Scottsdale, located at 15882 N. 77th Street, Scottsdale, AZ 85260. Please join us in support of The Salvation Army's Red Kettle season. Support from this sponsorship directly impacts children and families living in the emergency shelter, our food pantries, Christmas Angels, Camp Ponderosa, and memberships at the Kroc Center at South Mountain.

Fore the Cause Classic, Eagle Sponsor (\$5,000)

Friday, April 25, 2025, at Talking Stick Resort, join us at the annual Fore the Cause Classic. Support from the golf tournament provides safe housing, meals, counseling, vocational training, and children's programs at the Army's Phoenix Family Services Office and Emergency Family Shelter. The Eagle Sponsorship includes:

- *2 Foursomes

- *Event Signage

- *Sponsorship of 2 Holes

- *Media Exposure

Program Metrics: The Salvation Army has over 150 years of experience in providing both human and disaster services across the world. With summer in full swing, The Salvation Army serves the community through our Heat Relief and Water Safety Effort's to prevent unnecessary heat and water related fatalities. The Army's Metro Phoenix team has the infrastructure in place to meet and respond to our community's needs. Each of our unique programs has specific metrics and data collection method or approach.

Heat Relief Efforts, Cooling Station and Respite Center program metrics are measured by:

- # of days each cooling station or respite center provides heat relief and hydration services

- # of individuals served each day

- # of water bottles distributed

- # of other heat relief/safety items distributed (such as lip balm, hats, sunglasses, cool bandanas, safety related materials, etc.)

- * Chandler Only*

- # of clients using the laundry facility (Chandler Corps only)

- # of clients using the shower facility (Chandler Corps only)

- # of unduplicated clients using the Day Respite Center (Chandler only)

Kroc's Verano Sano/Safe in the Water Swim Assessment program metrics are measured by:

- # of children/youth who receive a Swim Assessment

Emergency Rental Assistance

Metrics are measured using the Well Sky software. Well Sky integrates data with this region's Homeless Management Information System, or HMIS. Well Sky is considered an industry standard for tracking social service programs which target those experiencing housing instability or homelessness. The software stores client level data including demographics, along with client and program outcomes. The software creates both customized and HUD reports for meeting contractual or specialized requests for funders and program quality improvement.

- # of households who receive a direct payment to maintain their permanent housing for a minimum of days.

Intended Use of SRP Funds: \$10,000 Metro-Phoenix Heat Relief Efforts

Maricopa County Public Health has confirmed 645 heat related deaths occurred during the summer of 2023; this is a 52% increase over the previous summer. Each year The Salvation Army mobilizes staff and volunteers to open several of our Corps' locations as "Heat Relief Cooling Stations" in support of the regional Heat Relief effort. Cooling Stations provide free, cold bottled water to anyone who requests it. Health and safety information is distributed on how to stay well-hydrated, cool, and safe during days when the national weather service issues an extreme heat warning. Tote bags are available for transient individuals to carry enough water bottles to last throughout the day. Funds from SRP support these critically needed, lifesaving efforts at eleven Metro Phoenix locations, and 1-mobile unit.

\$10,000 The Chandler Corps- Day Respite Center

The Salvation Army's Chandler Corps operates the City's Day Respite Center to assist the most vulnerable populations living in- and around the Chandler area. Starting May 1st, and running through September 30th, The Chandler Corps opens the Respite Center every day, Monday-Saturday between 9am-7pm. The Center is also open on Sunday's when the National Weather Service issues an Excessive Heat Warning. The Respite Center is located at 85 E. Saragosa St. Chandler, AZ 85225 and is a safe space for individuals without utilities or those who are unhoused to seek respite from the deadly heat and utilize the basic amenities many of us take for granted--like a proper shower. While guests are at the Respite Center, they have access to free hygiene items, laundry, and restroom/shower facilities, receive basic needs support and meals along with heat related education and other items (i.e., Hats, cool bandanas, masks, sunblock, lip balm).

\$10,000 Emergency Rental Assistance

The Salvation Army offers multiple intervention strategies to help meet the health and safety needs of people living throughout Metro-Phoenix community. Funds provided by SRP for this project will target at risk households in Metro and South Phoenix who are at imminent risk of eviction unless they receive rental assistance support to maintain their permanent housing. The Emergency Assistance Program provides families and individuals with direct access to the key resources to stay in their homes, keep their rent paid, utilities on and feed their families. Most services are provided on a one-time basis, and those with on-going needs are referred to longer-term programs.

\$10,000 Kroc Center Safe in the Water/Verano Sano Program

The Kroc Center offers free swim assessments. Support for this program will provide approximately 80 youth (who don't pass the assessment) with a voucher to receive free swim lessons/s at the Kroc Center. Support will also help purchase much needed aquatics equipment such as proper swim attire, rescue tubes, aqua discs, and training fins.

\$5,000 Silver Bells Sponsorship

Funds provided by the sponsorship directly impact children and families living in the emergency shelter, our food pantries, Christmas Angels, Camp Ponderosa, and memberships at the Kroc Center at South Mountain.

\$5,000 "Fore the Cause" Classic Sponsorship

Support from the golf tournament provides safe housing, meals, counseling, vocational training, and children's programs at the Army's Phoenix Family Services Office and Emergency Family Shelter.

SRP Sponsorship Benefits: Silver Bells-TAMBOURINE SPONSOR \$5,000

One table (10 seats) for the lunch Saturday November 2nd

* Logo inclusion on table

* Shared screen logo credit in program presentation

* Mention in ad in the Arizona Republic

* Mention on Facebook & social media

* Logo inclusion on 2024 Silver Bell Celebration web page

* Four children will be hosted in your honor to a week-long experience at The Salvation Army's Kroc Center's summer day camp

"Fore the Cause" Classic Golf Tournament-EAGLE SPONSOR \$5,000

Friday, April 25, 2025, at Talking Stick Resort, join us at the annual "Fore the Cause" Classic. The Eagle Sponsorship includes:

*2 Foursomes

*Event Signage

*Sponsorship of 2 Holes

*Media Exposure

Other Sources of Funding: The Salvation Army's fundraising plan secures resources for our programs and operational needs and is advanced through Corps Officers, and our Advisory Boards with support from The Salvation Army's Divisional Headquarters (DHQ) located in Phoenix, Arizona. DHQ provides support in the areas of donor relations, planned giving, legacy gifts, corporate and foundation support, and special events. The organization has a longstanding reputation for stewarding the resources generously provided to us and using all donations to truly make an impact. While annual revenue fluctuates and ultimately affects service levels, the base needs of our programs are supported by our diverse fundraising plan which ensures continued operation for the foreseeable future. All salary and staffing expenses, along with general operating expenses are supported by our fundraising plan to ensure programmatic sustainability.

The Salvation Army is grateful for the support we receive from local, and national corporations, private donors, foundations and volunteers, whose collective efforts help to drive our mission forward. This support provides us with the resources to deliver efficient and impactful programs for all members of the community. Other major contributors to the Heat Relief Efforts, Swim, Water and Community Safety programs and Corporate Sponsors include:

*The City of Chandler: \$70,000-Support for the Chandler Corps Human Service Programs from July 1, 2024-June 30,2025

*The City of Chandler: \$248,000 to support the Heat Relief Respite Center between May 1, 2024, September 30, 2024

*The town of Gilbert: \$8,000 to support the Heat Relief efforts in their community between July 1, 2024-June 30, 2025

*Piper Trust: \$75,000-Heat Relief Efforts-Maricopa County Summer 2024

*Pulliam Trust: \$75,000 Flexible Housing Assistance (Phoenix Family Services) June 1, 2024-May 30, 2025

*The Emergency Food and Shelter Program for Rental Assistance: Phase 41 Secured \$67,895 ending 12/30/2024. Phase 42 Pending Request of \$150,000 *Nationally, EFSP funds are pending on the passing of the federal budget & allocation process**

*Salt-River Pima-Maricopa Indian Community: \$150,000-Human Services Metro Phx

*Cox Communication: \$20,000

*Valley of the Sun United Way \$45,000-Phoenix Family Services Emergency Shelter

*Pool and Hot Tub Association, Step into Swim: \$5,000 (Kroc Swim Safety)

*Landholdings: Cash Support Varies

*Toyota Financial: Cash Support Varies

*Bashas Food Stores: Cash Support Varies

*Albertsons/Safeway Food Stores: Cash Support Varies

*Fry's Food Stores (in-kind) Year-Round Programming, including holidays

*Bashas Food Stores (in-kind) Year-Round Programming, including holidays

*Channel 3 (in-kind) Year-Round Programming, including holidays

*DripDrop (in-kind) Heat Relief Programs

*Salad and Go (in-kind) Phoenix Family Services

Similar Organizations:

The Salvation Army has the largest geographic footprint in Maricopa County along with the depth, scope, and demonstrated capacity to operate and administer Heat Relief, Water and Community safety programs on a large scale. Our programs provide a positive impact across the Valley and target our most vulnerable community members. The Salvation Army's community-based programs have an extensive network of collaborative partners and a deep volunteer base to help to avoid duplication of services and to pool resources.

Key Collaborators and organizations include:

Heat Relief/Cooling Stations/Day Cooling Centers-The Maricopa Association of Governments (MAG); The Heat Relief Network/Arizona Faith Network

Emergency Assistance Program-Rent (EAP)- The Salvation Army is relied upon to be the "go to" provider of Emergency Assistance (including Rental Assistance) services and is the #1 referral source for those in our community who contact Arizona 211.

Swim Safety- Irene Lopez Elementary School; USA Swim; Phoenix Police Department; Phoenix Fire Department.

Letter Signer & Title:

Internal Comments:

Attachments

In-Kind Supporting Documentation:

Sponsorship Packet: Silver Bells 130th Year Sponsorship Deck.pdf

Current Year Budget: Metro Phoenix Combined w Chandler for SRP 7.2024.pdf

Last Year's Budget: Metro Phoenix Combined w Chandler for SRP 7.2024.pdf

Program Budget: Metro Phoenix Combined w Chandler for SRP 7.2024.pdf

Audited Financial Statements: FY23 Audited Financial Statement for upload FINAL 3.2024.pdf

Board of Directors Listing: Official BOD THQ September 2023.pdf

List of Corporate Contributors: CY2024 Contributors for Metro Phoenix SRP Upload 7.2024.docx

Additional Attachment (1):

Additional Attachment (2):

Signed Letter & Non PO Payment Form:

Number of Events: 2

Event One

Event 1 Event Name: Silver Bells Celebration and 130th Anniversary Sponsorship

Event 1 Date: 11/02/2024

Event 1 Location : The Vault of Scottsdale

15882 N. 77th Street

Scottsdale, AZ 85260

Event 1 Number of Attendees: 250

Event 1 Cash Requested: 5000

Event 1 In-Kind Requested: 0

Event 1 Other Event Info: Please join us in support of The Salvation Army's Red Kettle season. Support from this sponsorship directly impacts children and families living in the emergency shelter, our food pantries, Christmas Angels, Camp Ponderosa, and memberships at the Kroc Center at South Mountain.

SRP Volunteer Opportunities? 1: Yes

Event 1 Net Proceeds Previous Year: \$70,000.00

Event 1 Other Event Sponsors : Yes

Event 1 Other Sponsors and Dollar

Amount: For more information, please contact Matt LeBouf at 602.267.4134 or Matt.LeBouf@usw.salvationarmy.org

Event 1 Promo Booth: No

Event Two

Event 2 Event Name: Fore the Cause Classic Eagle Sponsor

Event 2 Date: 04/25/2025

Event 2 Location: Talking Stick Resort

9800 Talking Stick Way

Scottsdale, AZ 85256

Event 2 Number of Attendees: 144

Event 2 Cash Requested: 5000

Event 2 In-Kind Requested: 0

Event 2 Other Event Info: Join us at the annual Fore the Cause Classic. Support from the golf tournament provides safe housing, meals, counseling, vocational training, and children's programs at the Army's Phoenix Family Services Office and Emergency Family Shelter. The Eagle Sponsorship includes:

*2 Foursomes

*Event Signage

*Sponsorship of 2 Holes

*Media Exposure

SRP Volunteer Opportunities? 2: Yes

Event 2 Net Proceeds Previous Year: \$30,000.00

Event 2 Other Event Sponsors: Yes

Event 2 Other Sponsors and Dollar Amount: For more information, please contact Matt LeBouf at 602.267.4134 or Matt.LeBouf@usw.salvationarmy.org

Event 2 Promo Booth: No

Custom Report:

Event 1 Name - Approved:

Event 1 Date - Approved:

Event 2 Name - Approved:

Event 2 Date - Approved:

Event 3 Name - Approved:

Event 3 Date - Approved:

Is your payee information different than your organization information that was previously provided?: No

Payment

Scan

Score	Scanned Entity	Match	WatchList Name	WatchList Detail
98%	Kimberly Thompson (Contact Full Name)	THOMPSON, KIMBERLY A	Excluded Party List System (EPLS)	THOMPSON, KIMBERLY A Listing: THOMPSON, KIMBERLY A - Individual Reason: Reciprocal Address: DANVILLE KY 40422 USA Other: Active Date Other: Additional Comments Other: CT Code Other: Excluding Agency Other: Excluding Program Other: Excluding Type Other: Termination Date

98%	Kimberly Thompson (Contact Full Name)	THOMPSON, KIMBERLY D	Excluded Party List System (EPLS)	THOMPSON, KIMBERLY D Listing: THOMPSON, KIMBERLY D - Individual Reason: Reciprocal Address: GRANBURY TX 76049 USA Other: Active Date Other: Additional Comments Other: CT Code Other: Excluding Agency Other: Excluding Program Other: Excluding Type Other: Termination Date
98%	Kimberly Thompson (Contact Full Name)	THOMPSON, KIMBERLY A	OIG Exclusions	THOMPSON, KIMBERLY A Listing: THOMPSON, KIMBERLY A - Individual Address: 604 TENIKAT ST DANVILLE KY 40422 Occupation: DOCTOR OWNED ENTITY Occupation: BUSINESS MANAGER DOB: 1968-11-26 Incident: 1128a3
98%	Kimberly Thompson (Contact Full Name)	THOMPSON, KIMBERLY D	OIG Exclusions	THOMPSON, KIMBERLY D Listing: THOMPSON, KIMBERLY D - Individual Address: 6022 MELROSE CIRCLE GRANBURY TX 76049 Occupation: IND- LIC HC SERV PRO Occupation: NURSE/NURSES AIDE DOB: 1972-07-13 Incident: 1128b4

Last Scanned By: (FrontDoor)

Last Scanned Time: 07/12/2024 14:59:05 EST

Reason for scan: External Request Submission

Match results must be accepted by the owner to clear red flag

Approval

Requested Amount: \$50,000.00

***Recommended Amount:**

Prior Approved Grants:

- 2013 - - \$6,000.00
- 2014 - - \$2,500.00
- 2014 - - \$6,000.00
- 2015 - - \$20,000.00
- 2016 - - \$0.00
- 2017 - - \$15,000.00
- 2017 - - \$10,000.00
- 2017 - - \$0.00
- 2018 - 125th Anniversary/Heat & Water Safety 18 - \$65,000.00
- 2019 - Heat and Water Safety - \$35,000.00
- 2020 - Sponsor 2020 The Salvation Army "Links to Kettles" Golf Tournament - \$2,500.00
- 2020 - Verano Sano Water Safety Support - \$1,000.00
- 2020 - Sponsor 2020 1865 Civic Breakfast - \$1,000.00
- 2020 - The Salvation Army-Metro Phoenix Heat and COVID-19 Response CY20 - \$30,000.00

- 2020 - Dollars for Doers Grant - \$250.00
- 2021 - The Salvation Army-Metro Phoenix Heat and Water Safety Projects CY21 - \$25,000.00
- 2021 - Link to Kettles Golf Tournament - \$7,500.00
- 2021 - Pandemic Relief Support - \$10,000.00
- 2022 - The Salvation Army Metro Phoenix 2021 Red Kettle Kickoff - \$10,000.00
- 2022 - Payroll Deduction Grant - \$1,055.00
- 2022 - Payroll Deduction Grant - \$558.00
- 2022 - Payroll Deduction Grant - \$1,996.00
- 2022 - Payroll Deduction Grant - \$397.00
- 2022 - Donate via Credit Card Grant - \$100.00
- 2022 - Dollars for Doers Grant - \$500.00
- 2022 - Chandler Corps-Shower Trailer - \$10,000.00
- 2022 - The Salvation Army-Metro Phoenix Water, Health and Safety Projects CY2022 - \$25,000.00
- 2022 - The Salvation Army, Metro Phoenix Human Services FY23 - \$35,000.00
- 2022 - Payroll Deduction Grant - \$422.00
- 2022 - Payroll Deduction Grant - \$422.00
- 2022 - Payroll Deduction Grant - \$422.00
- 2022 - Payroll Deduction Grant - \$422.00
- 2022 - Equipment Donation: 250 CamelBaks - \$8,750.00
- 2023 - Payroll Deduction Grant - \$410.00
- 2023 - Payroll Deduction Grant - \$410.00
- 2023 - Payroll Deduction Grant - \$410.00
- 2023 - Payroll Deduction Grant - \$410.00
- 2023 - Payroll Deduction Grant - \$615.00
- 2023 - Payroll Deduction Grant - \$766.00
- 2023 - Homeless Heat Relief & Hygiene Efforts-East Valley (Spring 2023) - \$10,000.00
- 2023 - Payroll Deduction Grant - \$1,158.00
- 2023 - Payroll Deduction Grant - \$14.00
- 2023 - Payroll Deduction Grant - \$410.00
- 2023 - Payroll Deduction Grant - \$615.00
- 2023 - Payroll Deduction Grant - \$442.00
- 2023 - Payroll Deduction Grant - \$410.00
- 2024 - Payroll Deduction Grant - \$623.00
- 2024 - Payroll Deduction Grant - \$573.00
- 2024 - Payroll Deduction Grant - \$623.00
- 2024 - Payroll Deduction Grant - \$934.50
- 2024 - Payroll Deduction Grant - \$623.00
- 2024 - Payroll Deduction Grant - \$1,244.00
- 2024 - 40 Swim Lesson Vouchers - \$3,360.00
- 2024 - Payroll Deduction Grant - \$410.00
- 2024 - Metro Phoenix-Heat Relief, Water and Community Safety, Silver Bells and East Valley Heat Relief FY2024 - \$50,000.00

Request Status: Pending

Contact

Salutation: Miss
***First Name:** Kimberly
Middle Name:
***Last Name:** Thompson
Vendor Number:
Title: Southwest Divisional Director of Grants
Title (CEO):
Address:
Address 2:
City:
State:
Province:
Country:
Zip/Postal Code:
Telephone: (602) 267-4292
Fax:
Email Address: kimberly.thompson@usw.salvationarmy.org
Contact Type:
Creation Date: 12/12/2017
Last Saved By: 1000000008586273
Last Saved Date: 13-APR-20 07.05.45.289056 PM
Notes:
***Internal Use Only?:** N
CEO First Name:
Principal Prefix:
CEO Last Name:
Mobile Phone: NA
CEO Email Address:
CEO Phone:
CEO Mobile Phone:
CEO/Executive Director Contact:
Person completing application:

Organization

***Organization Category:** Basic Needs
Official Name: A NEW LEAF INC
***Legal Name:** A New Leaf
***Address:** 868 E. University Dr.
Address 2:
***City:** Mesa
***State:** Arizona
***Zip/Postal Code:** 85203-8033
***Main Telephone:** 480-969-4024
***Main Email Address:** grants@turnanewleaf.org
***Website Address:** www.turnanewleaf.org
***Executive Director Name:** Michael Hughes
***Executive Director Phone Number:** 480-969-4024
***Executive Director Email Address:** mhughes@turnanewleaf.org

Proposal

***Request Owner:** Karla Esparza
Request Source: External (Submitted 07/12/2024)
Proposal Type: General Grant Application
***Determination Status:** Scheduled for Committee
Strategy:
Organization Category:
Type of Request:
Project Title: Shelter and Housing Support Programs/VITA Program & Volunteer Appreciation/ Camaraderie Gala Sponsorship
In-Kind Request?: No
Request Amount: \$45,000.00
Requested Cash Amount: \$45,000.00
Cash Recommended:
In-Kind Recommended:
Describe Mission/Geographic Impact : For 53 years, A New Leaf has advanced its mission of "Helping Families, Changing Lives" by providing meaningful opportunities to empower disadvantaged individuals and families, and to create a stronger and healthier community. A New Leaf's 40 programs in the Phoenix Metro area address households' immediate and longer-term needs through a continuum of care that promotes social and economic health and stability. Services include emergency shelter, supportive housing, domestic and sexual violence support, financial empowerment, behavioral health care, foster care, early childhood education, and family support. Last year, A New Leaf's services improved more than 23,000 lives through culturally responsive programming that cultivates equity in the community.

The organization has grown across Maricopa County and beyond by establishing programs to address identified gaps in services and the changing needs of our community, and by acquiring several smaller organizations that provided vital services but struggled with sustainability. Over the past decade, programming has expanded in the areas of shelter services, services for domestic and sexual violence victims, rapid-re-housing services, supportive housing programs, early childhood education, foster care, and family support. Persevering through changing economies and societal challenges, as well as the complexities of government funding, A New Leaf is committed to transforming lives and shaping a brighter future for our community.

Last year, A New Leaf served 23,792 community members:

- * 3,251 were homeless and low-income families and individuals in need of emergency shelter and supportive housing;
- * 6,862 were survivors of domestic or sexual violence;

- * 8,506 were under-resourced households and individuals in need of financial assistance, employment and career support, and financial wellness services;
- * 3,936 were low-income adults, children, and families in need of behavioral health services;
- * 1,140 were low-income and at-risk children and parents/caregivers in need of family support services; and
- * 97 were low-income children in need of education opportunities.

Virtual Tour: <https://youtu.be/hJhggBdlHQI>

A New Leaf continues to expand and adapt services to address the needs of our community. Homeless shelter services and early childhood education are expanding through the acquisition of Homeward Bound. A New Leaf and Homeward Bound share a legacy of championing pathways to stable housing, self-sufficiency, and well-being for families facing challenging circumstances. These mission-driven organizations are now joining forces to strengthen and expand impact in the community through a strategic merger. This merger leverages the strengths of both organizations to secure long-term sustainability and uninterrupted service delivery for families experiencing homelessness. Homeward Bound will operate as a subsidiary of A New Leaf, maintaining its own 501(c)3 status.

Program/Project tie to SRP Goals:

A New Leaf provides services to community members primarily within SRP's electric and water service areas -- the East Valley cities of Mesa, Chandler, Gilbert, Tempe, Scottsdale, and Apache Junction and the West Valley cities of Glendale, Avondale, Peoria, and Surprise.

A New Leaf invites SRP to make an investment of \$45,000, which will have a positive impact in the lives of 23,000 individuals who are experiencing homelessness, domestic violence, and poverty.

- * \$30,000 will support families and individuals served by A New Leaf's Shelter and Housing Support programs providing safety and supportive services for individuals and families experiencing domestic violence, homelessness, and housing instability;

- * \$5,000 will support no-cost tax preparation services for low-income households through the Volunteer Income Tax Assistance (VITA) Program and will support the 2025 VITA Volunteer Appreciation Luncheon;

- * \$10,000 will support SRP's sponsorship of A New Leaf's annual Camaraderie Gala in April 2025, raising funds to support A New Leaf's family of programs.

These program areas align with SRP's Basic Needs giving priority by supporting services that help underserved individuals in overcoming barriers to self-sufficiency. A New Leaf's programs offer shelter, safety, and basic needs to vulnerable individuals and families in our community who are experiencing homelessness, poverty, violence, and other crisis situations. A New Leaf's Shelter and Housing programs offer specialized children's services to promote personal development and positive life choices.

Project/Program Description: SHELTER PROGRAMS

A New Leaf's Shelter Programs provide approximately 116,325 nights of shelter for 975 adults and children each year who are experiencing domestic violence and/or homelessness. These programs are needed more than ever as recent increases in the cost of living and evictions combined with a severe lack of affordable housing have led to rising instability and homelessness in our community.

A New Leaf's Shelter Programs go far beyond a bed and a meal, providing wrap-around support services to help individuals and families move toward long-term stability. Onsite services include comprehensive case management and services that strengthen households' abilities to overcome barriers to equitable access to resources and opportunities, and to achieve self-sufficiency and long-term stability. Support services include employment support, housing navigation, legal aid, financial wellness, transportation, life skills, children's services, health services, and referrals to other needed community resources.

A New Leaf's seven Shelter Programs include:

* La Mesita Family Shelter provides shelter, basic needs, food/meals, and support services for 200 homeless adults and children.

* Bridge2Housing -- 16-unit bridge-housing program for men in transition from shelter to stable housing who require additional time to secure stable housing, serving approximately 75 men annually.

* East Valley Men's Center provides up to 120 days of shelter, basic needs, food/meals, and support services for approximately 490 homeless single men.

* West Valley Family Shelter provides up to 120 days of shelter, basic needs, food/meals, and support services for approximately 90 adults and children. In addition to providing shelter, the Center provides housing support and references to community-based services in Surprise for individuals and families experiencing homelessness or instability.

* Autumn House Shelter provides up to 120 days of shelter, basic needs, food/meals, and support services for 120 adults and children who are victims of domestic or sexual violence, or other crisis situations.

* Faith House Crisis & Transitional Shelter -- emergency housing, basic needs, and support services for women and children who are victims of domestic violence, sex trafficking, or homeless due to other crisis situations, serving approximately 60 adults and children annually.

* Domestic Violence Safe Temporary Overflow Program (DVSTOP) provides emergency temporary shelter (average of 3 nights), basic needs, food/meals, and support services until domestic violence shelter space is available for 320 adults and children. This is especially crucial to meet the urgent need for immediate shelter as local shelters are often at capacity.

Outcomes goals for Shelter Programs during a one-year grant term include:

* 65% of households will improve their overall living condition by transitioning from homelessness to stable housing.

* 75% of adults will increase or maintain income (earned income, benefits, etc.)

* 90% of households will report an increased knowledge of community support services available to help maintain long-term stability.

* 90% of adults in domestic violence programs reported that they have (re)gained control of their lives

* 90% of adults in domestic violence shelter programs reported that they know how to plan for their continued safety

* 95% of children in domestic violence shelter programs demonstrated improved emotional and behavior status from intake to discharge

HOUSING SUPPORT PROGRAMS

Households struggling with chronic homelessness face challenges related to mental and physical health issues, substance use, disabilities, and other barriers to stability. These individuals and families need individualized support to regain and maintain stability. A New Leaf's Housing Support Programs provide direct and ongoing support for families and individuals who are homeless, including those who have experienced chronic homelessness, are at risk of homelessness, experiencing mental health instability, and/or transitioning out of shelter.

A New Leaf provides Housing Support Services at three developments in Mesa with 79 units designated as Supportive Housing at the Desert Leaf and La Mesita Apartments, and 100 units designated as Affordable Housing at Mesa ArtSpace Lofts and La Mesita Apartments. Individuals and families are initially screened and referred for Permanent Supportive Housing through the Maricopa County Coordinated Entry System. Individuals and families who qualify for a Section 8 Housing Choice Voucher are eligible for Affordable Housing.

Supportive Housing combines affordable housing with support services to address the needs of people who have experienced chronic homelessness and have ongoing needs related to mental and physical health. Services are designed to build independent living skills and connect people with community-based health care, treatment, employment, and other needed community services. Housing Support Services are also available to households residing in Affordable Housing apartments to help strengthen stability and help move them out of poverty. Housing support services are provided for approximately 380 individuals each year.

A New Leaf also offers Rapid Re-Housing programs that provide housing navigation, rent and utility financial assistance, case management, and support services for up to 12 or 24 months, depending on the program. These programs serve approximately 680 individuals each year.

Outcome goals for Housing Support Services during a one-year grant term include:

- * 100% of adults receiving supportive services and participating in ongoing case management services will access or maintain mainstream benefits.
- * 100% of adults receiving supportive services and participating in ongoing case management services will maintain or increase income.
- * 85% of households supported through Rapid Re-Housing programs will transition into stable housing.

FINANCIAL EMPOWERMENT SERVICES AT SHELTER AND HOUSING SUPPORT PROGRAMS

The needs of families and individuals who are struggling with poverty and instability are complex. A New Leaf believes that financial empowerment is the key to overcoming homelessness, generational poverty, and financial instability and offers a comprehensive array of programs that provide pathways to long-term financial stability for disadvantaged individuals. Financial Empowerment Services include workforce development, financial wellness, budget coaching, credit counseling, public benefits enrollment, access to education, career training, small business support, emergency rent financial assistance, reentry services for justice-involved individuals, and tax filing assistance. Financial Empowerment Services are currently available virtually and through case managers at Housing Support Programs, but they will be expanded to be offered onsite at A New Leaf's Shelter Programs to help individuals at shelter overcome barriers to employment, access financial or workforce-related training or education, and build long-term financial stability.

VITA PROGRAM

A New Leaf's West Valley Volunteer Income Tax Assistance (VITA) Program is a powerful anti-poverty and community asset development program, offering free tax preparation services for low- to moderate-income households (those generally making \$64,000 or less), persons with disabilities, seniors, and limited English-speaking taxpayers who need assistance in preparing their own tax returns. Households are assisted in accessing the full amount of tax credits for which they are eligible, without losing hundreds of dollars in paid preparer fees. This valuable service allows households to offset debt, increase savings, acquire needed assets, and build economic stability. VITA services make a positive impact in the lives of approximately 4,000 low-income households each year and return more than \$5,000,000 in tax refunds to local communities.

A New Leaf VITA Program 2024-25 tax season goals include:

- * 4,000+ households will be assisted in receiving the maximum return on their taxes,
- * \$5,000,000+ in tax refunds will go back to household,
- * \$1,250,000+ will be saved in tax preparation fees,
- * 100+ trained volunteers will assist with tax preparation, and
- * 7,000+ volunteer hours will be committed.

Households are also connected to additional financial empowerment services and resources to maximize their tax returns and encourage wise investments in their future stability. These services and resources, including banking/savings, financial wellness, and credit repair, may be offered by A New Leaf or local partners.

A New Leaf supervises volunteer and site recruitment, training, and coordination, and conducts community outreach and awareness efforts. The VITA Program relies on the generosity of volunteers, committing their time and energy to assist low- to moderate-income households file their taxes. All volunteers are certified to IRS standards and prepare tax returns which can be filed electronically to expedite the process. Each spring, A New Leaf recognizes and celebrates the volunteers who make the VITA program possible with a Volunteer Appreciation Luncheon. The luncheon has been supported by SRP for the past six years, championed by Bonnie Temme, retired SRP Program Manager, Community Relations, who retired this year. We look forward to welcoming Jackie Castrellon, Community Relations, as a new SRP coordinator of the VITA luncheon.

2025 CAMARADERIE GALA SPONSORSHIP

A New Leaf's Camaraderie Gala will take place at the Fairmont Scottsdale Princess on Saturday, March 8, 2025. This annual event raises funds to support A New Leaf's programming for families, individuals, and children. The event also raises awareness of the diverse programs at A New Leaf and the complex needs they address in the community. SRP is invited to be a gala sponsor at the \$10,000 level in support of A New Leaf's family of programs. Your sponsorship is an opportunity to promote SRP's philanthropic commitment to improving our local community.

Program Metrics:

A New Leaf provides services to community members primarily within SRP's electric and water service areas -- the East Valley cities of Mesa, Chandler, Gilbert, Tempe, and Scottsdale and the West Valley cities of Glendale, Avondale, Peoria, and Surprise. SRP funding will positively impact approximately 23,000 individuals in FY2024--25. Demographics for those served, based on historical data include:

ETHNICITY

38% Hispanic or Latino

62% Not Hispanic or Latino

RACE

67% White

23% African American/Black

2% Asian

4% American Indian/Alaskan Native

1% Native Hawaiian/Pacific Islander

3% Two or More Races

AGE

9% 0--5

30% 6--17

18% 18--30

28% 31--49

15% 50+

GENDER

37% Male

63% Female

Intended Use of SRP Funds:

SHELTER & HOUSING SUPPORT PROGRAMS

Funding in the amount of \$30,000 will support families and individuals struggling to overcome homelessness and domestic violence. Funds will be leveraged with funds from other community partners to provide direct services for approximately 6,035 adults and children including crisis intervention, case management, financial empowerment, life skills and parenting training, court advocacy, transportation assistance, housing navigation, employment support, and other vital wrap-around services. SRP's support will make an immediate impact by providing safe shelter and basic needs for families and individuals in crisis, and a long-term impact by providing the ongoing support and resources needed to overcome barriers to maintaining safety and housing stability.

Funding will also support financial empowerment services for residents at La Mesita, West Valley Housing Assistance Center Family Shelter, Autumn House, Faith House, Bridge2Housing, and East Valley Men's Center. Individuals who experience domestic violence, homelessness, and extreme poverty often face systemic barriers to opportunities for achieving financial stability and independence. Programming addresses these challenges through personalized support, helping individuals improve their access to financial wellness, better employment, and longer-term stability.

VITA PROGRAM

Funding in the amount of \$5,000 will support VITA services for more than 4,000 individuals and the 2025 VITA Volunteer Appreciation Luncheon. SRP funds will provide free tax preparation services for low-income households, including seniors, limited English speaking taxpayers, and individuals with disabilities. Specifically, funding will be used to support costs for supplies, volunteer incentives, and activities related to the coordination of VITA locations and volunteers.

The luncheon recognizes the volunteers who make the program possible and enables A New Leaf to share program success. On average, each VITA volunteer works 70 hours over the course of the tax season from January through April, assisting approximately 40 households, saving over \$12,500 in tax preparation fees, and bringing \$50,000 in refunds back into low-income communities.

2025 CAMARADERIE GALA SPONSORSHIP

Funding in the amount of \$10,000 will support SRP's sponsorship of a New Leaf's annual Camaraderie Gala.

SRP Sponsorship Benefits:

2025 CAMARADERIE GALA SPONSORSHIP

A \$10,000 sponsorship supports vital shelter, housing, and financial empowerment services for individuals and families experiencing homelessness, domestic violence, and poverty. This sponsorship level includes:

- * Gala Table seating for 10 guests (1 table of 10)
- * Recognition listing on website and all social media platforms
- * Name recognition as sponsor in AV presentation during event
- * Plated dinner and entry into silent and live auction
- * Name recognition in printed event collateral
- * ¼-page advertisement in event program

Other Sources of Funding:

A New Leaf's programs are funded through a variety of local, state, and federal agencies and private funding sources. This diversification reduces reliance on any one funding source, helping to ensure program sustainability. A list of corporate funders for Shelter and Housing Support programs is included with this application and event sponsors are listed in the Event Questionnaire section.

Collaborative partnerships and volunteer support are an essential component of A New Leaf's wrap-around services that are designed to address the unique challenges of each family and individual served. The organization's extensive experience as a service provider in the Phoenix Metro area has resulted in deep local and state-wide partnerships. A New Leaf works in collaboration with civic leaders, community organizations, coalitions, and other groups to address community needs and reduce duplication of services. A New Leaf's robust volunteer program partners with corporate funders and other community collaborators to provide and serve meals to shelter residents, complete maintenance and improvement projects, conduct donation drives, and many other beneficial projects. A New Leaf's continuum of care relies on these strong community connections to deliver effective supportive services.

A New Leaf is also one of more than 1,000 service providers in Arizona that are participating in CommunityCares, a coordinated care network of health and social service organizations. Partners are connected on a shared technology platform through which electronic referrals can be sent and received both within and outside the organization. The network increases A New Leaf's ability to address needs and provide access to services that improve clients' well-being.

Similar Organizations:

A New Leaf is the largest provider of domestic violence shelter in Maricopa County and one of only a few homeless shelter providers. Other organizations providing shelter services for homeless individuals or families include Central Arizona Shelter Services, Family Promise, House of Refuge, Phoenix Rescue Mission, and UMOM. Other organizations providing shelter for domestic violence victims include Chicanos Por la Causa, Chrysalis, New Life Center, and Sojourner Center.

A New Leaf is a partner in the Maricopa County VITA Network, a coalition of VITA providers across the county. Partners include the City of Phoenix, Masters of Coin, Mesa United Way, Rehoboth CDC, Tempe Community Council, Trin United, and the Internal Revenue Service (IRS). The Maricopa County VITA Network enables organizations that provide VITA services the opportunity to collaborate and determine areas of service, avoiding duplication of effort.

Through 53 years of experience, geographic focus, and deep engagement with community and civic leaders, A New Leaf is positioned as a social service leader, uniquely aware of the strengths and challenges of our community. A New Leaf's knowledge and familiarity with the social service sector and funding sources in the region, as well as experience in implementing new programs, ensure the organization has the capacity to successfully deliver effective services. What sets A New Leaf's programs apart are the comprehensive, wrap-around support services, continuum of care, and collaborative partnerships that address each family's and individual's challenges.

A New Leaf's services meet people where they are, encourage them to set their own goals for the future, and give them the support and tools needed to help them overcome challenges and work towards accomplishing their goals. Comprehensive assessment tools are used to identify strengths and challenges across all social determinants of health including housing, food and other basic needs, employment/economic opportunity, education, transportation, childcare, safety, physical health, mental health, and social/cultural support. A New Leaf's programs go beyond basic services to effect long-term and meaningful change for households experiencing poverty, homelessness, domestic violence, and instability.

Case management is a vital component of A New Leaf's services. According to the American Journal of Public Health, case management has been demonstrated to improve housing stability, reduce substance use, and remove barriers to employment. Case managers address challenges and goals for all family members, identifying resources and supports to promote stability and well-being.

Most clients served by A New Leaf have experienced trauma related to extreme poverty, homelessness, mental and behavioral health issues, racial disparities, family instability, domestic violence, sexual assault, or human trafficking. Program staff are cross trained to provide services using evidence-based trauma-informed interventions and approaches, including recognizing the signs of trauma, providing compassionate services, and making referrals for needed supportive services.

Letter Signer & Title:

Internal Comments:

Attachments

In-Kind Supporting Documentation:

Sponsorship Packet: 2025 Camaraderie Sponsorship Guide_Preliminary.pdf

Current Year Budget: A New Leaf Budget FY25 DRAFT.pdf

Last Year's Budget: A New Leaf Budget FY24.pdf

Program Budget: A New Leaf SHS VITA CAM Budgets FY25.pdf

Audited Financial Statements: A New Leaf Audited Financial Statements 2023.pdf

Board of Directors Listing: A New Leaf Board of Directors 2024-25.pdf

List of Corporate Contributors: A New Leaf Corporate Funders_Shelter-Housing-VITA.pdf

Additional Attachment (1):

Additional Attachment (2):

Signed Letter & Non PO Payment Form:

Number of Events: 1

Event One

Event 1 Event Name: Annual Camaraderie Gala

Event 1 Date: 03/08/2025

Event 1 Location : Fairmont Scottsdale Princess

7575 E Princess Dr, Scottsdale, AZ 85255

Event 1 Number of Attendees: 500

Event 1 Cash Requested: 10000

Event 1 In-Kind Requested: 0

Event 1 Other Event Info: Honorees and speakers to be determined. This event is still in the planning stages and a full event packet is not yet available. The complete event packet will be shared with SRP as soon as it is available.

SRP Volunteer Opportunities? 1: Yes

Event 1 Net Proceeds Previous Year: \$644,779.00

Event 1 Other Event Sponsors : Yes

Event 1 Other Sponsors and Dollar

Amount: Chapman-Merril Foundation - \$50,000 (pending)

Desert Financial Credit Union - \$25,000 (pending)

Bennet Family - \$25,000 (pending)

Hormel Family - \$15,000 (pending)

Messinger Mortuary - \$15,000 (pending)

Southwest Airlines - \$10,000

Nationwide - \$10,000 (pending)

CHASSE Building - \$10,000 (pending)

Schnepf Farms, \$10,000 (pending)

ASU, \$10,000 (pending)

Mahoney Group - \$10,000 (pending)

UFCW - \$10,000 (pending)

Skinner Clouse Group, \$10,000 (pending)

Corporate Interior Systems - \$10,000 (pending)

Forever Young Foundation - \$10,000 (pending)

SRP - \$5,000 (pending)

Wells Fargo - \$5,000 (pending)

Crescent Crown - \$5,000 (pending)

Fiesta Bowl Charities - \$5,000 (pending)

Lovitt & Touche, \$5,000 (pending)

Kay-Kay Realty, \$5,000 (pending)

East Valley Firefighters, \$5,000 (pending)
City of Mesa, \$5,000 (pending)
Maricopa County Community College District, \$5,000 (pending)
Aetna, \$5,000 (pending)
Northern Trust - \$5,000 (pending)
Baker Tilly - \$5,000 (pending)
Comerica Bank - \$5,000 (pending)
Dignity Health - \$5,000 (pending)
Edward Jones - \$5,000 (pending)
Forvis - \$5,000 (pending)
Gammage & Burhnam - \$5,000 (pending)
Gateway Bank - \$5,000 (pending)
Sande Stewart Television - \$5,000 (pending)
Additional sponsors to be confirmed

Event 1 Promo Booth: No

Custom Report:

Event 1 Name - Approved:

Event 1 Date - Approved:

Event 2 Name - Approved:

Event 2 Date - Approved:

Event 3 Name - Approved:

Event 3 Date - Approved:

Is your payee information different than your organization information that was previously provided?: No

Payment

Scan

Score	Scanned Entity	Match	WatchList Name	WatchList Detail
96%	Michael Hughes (Contact Full Name)	HUGHES, JASON MICHAEL	Excluded Party List System (EPLS)	HUGHES, JASON MICHAEL Listing: HUGHES, JASON MICHAEL - Individual Reason: Reciprocal Address: MESA AZ 85204 USA Other: Active Date Other: Additional Comments Other: CT Code Other: Excluding Agency Other: Excluding Program Other: Excluding Type Other: Termination Date
96%	Michael Hughes (Contact Full Name)	HUGHES, JASON MICHAEL	OIG Exclusions	HUGHES, JASON MICHAEL Listing: HUGHES, JASON MICHAEL - Individual Address: 621 E 7TH DRIVE MESA AZ 85204 Occupation: NURSING PROFESSION Occupation: NURSE/NURSES AIDE DOB: 1981-06-29 Incident: 1128b4

95%	Michael Hughes (Contact Full Name)	HUGHES, MICKEY	Excluded Party List System (EPLS)	HUGHES, MICKEY Listing: HUGHES, MICKEY - Individual Reason: Reciprocal Address: DAYTON OH 45429 USA Other: Active Date Other: Additional Comments Other: CT Code Other: Excluding Agency Other: Excluding Program Other: Excluding Type Other: Termination Date
95%	Michael Hughes (Contact Full Name)	HUGHES, MICKEY	OIG Exclusions	HUGHES, MICKEY Listing: HUGHES, MICKEY - Individual Address: 2641 COLLINS DRIVE DAYTON OH 45420 Occupation: IND- LIC HC SERV PRO Occupation: HEALTH CARE AIDE DOB: 1959-04-23 Incident: 1128a1

Last Scanned By: (FrontDoor)

Last Scanned Time: 07/12/2024 16:53:44 EST

Reason for scan: External Request Submission

Match results must be accepted by the owner to clear red flag

Approval

Requested Amount: \$45,000.00

***Recommended Amount:**

Prior Approved Grants:

- 2013 - - \$2,500.00
- 2013 - - \$90.00
- 2014 - - \$2,500.00
- 2014 - A New Leaf Shelter Support - \$10,000.00
- 2014 - Camaraderie Gala - \$5,000.00
- 2014 - - \$17,500.00
- 2015 - - \$2,500.00
- 2015 - - \$250.00
- 2016 - - \$20,000.00
- 2016 - - \$10,000.00
- 2016 - - \$5,000.00
- 2016 - - \$500.00
- 2017 - - \$300.00
- 2017 - - \$3,250.00
- 2018 - Shelter Services/VITA Program/Camaraderie Gala - \$25,000.00
- 2018 - Sponsor the 34th Annual Camaraderie Gala - \$5,000.00
- 2019 - Dollars for Doers Grant - \$250.00
- 2019 - Dollars for Doers Grant - \$250.00
- 2019 - Shelter and Workforce Development Programs/Event Sponsorship - \$25,000.00
- 2020 - Shelter Programs/VITA Program/Camaraderie Gala Sponsorship - \$25,000.00
- 2020 - Dollars for Doers Grant - \$500.00
- 2021 - Dollars for Doers Grant - \$750.00
- 2021 - Shelter Programs/VITA Program/Camaraderie Gala Sponsorship - \$25,000.00

- 2021 - A New Leaf COVID-19 Response: IT Support - \$10,000.00
- 2022 - Payroll Deduction Grant - \$282.00
- 2022 - Payroll Deduction Grant - \$735.00
- 2022 - WIN ERG Contribution - \$500.00
- 2022 - Payroll Deduction Grant - \$423.00
- 2022 - Computer Donations - \$2,250.00
- 2022 - Payroll Deduction Grant - \$926.00
- 2022 - Payroll Deduction Grant - \$282.00
- 2022 - Donate via Credit Card Grant - \$100.00
- 2022 - Dollars for Doers Grant - \$500.00
- 2022 - Payroll Deduction Grant - \$282.00
- 2022 - Payroll Deduction Grant - \$282.00
- 2022 - Payroll Deduction Grant - \$282.00
- 2022 - COVID-19 Relief Funds - \$10,000.00
- 2022 - Shelter Programs/VITA Program & Luncheon Sponsorship/50th milestone Spring Gala Sponsorship - \$25,000.00
- 2023 - Payroll Deduction Grant - \$381.70
- 2023 - Payroll Deduction Grant - \$411.70
- 2023 - Payroll Deduction Grant - \$381.70
- 2023 - Payroll Deduction Grant - \$381.70
- 2023 - Payroll Deduction Grant - \$572.55
- 2023 - Dollars for Doers Grant - \$250.00
- 2023 - Payroll Deduction Grant - \$602.00
- 2023 - Payroll Deduction Grant - \$61.70
- 2023 - Payroll Deduction Grant - \$60.00
- 2023 - Payroll Deduction Grant - \$433.70
- 2023 - Donate via Credit Card Grant - \$100.00
- 2023 - Payroll Deduction Grant - \$20.00
- 2023 - Homeless Shelter and Housing Support Programs/VITA Program & Luncheon Sponsorship/With One Voice Luncheon and Camaraderie Gala Sponsorships - \$35,000.00
- 2023 - Payroll Deduction Grant - \$411.70
- 2023 - Payroll Deduction Grant - \$617.55
- 2023 - Payroll Deduction Grant - \$391.70
- 2023 - Payroll Deduction Grant - \$411.70
- 2024 - Payroll Deduction Grant - \$689.70
- 2024 - Payroll Deduction Grant - \$685.70
- 2024 - Payroll Deduction Grant - \$689.70
- 2024 - Payroll Deduction Grant - \$689.70
- 2024 - Shelter and Housing Support Programs/VITA Program & Volunteer Appreciation/With One Voice Luncheon and Camaraderie Gala Sponsorships - \$45,000.00
- 2024 - Payroll Deduction Grant - \$1,034.55
- 2024 - Payroll Deduction Grant - \$1,860.70
- 2024 - Payroll Deduction Grant - \$411.70
- - - \$0.00

Request Status: Pending

Contact

Salutation: Ms.
***First Name:** Laura
Middle Name:
***Last Name:** Bode
Vendor Number:
Title: Director of Community Engagement
Title (CEO):
Address:
Address 2:
City:
State:
Province:
Country:
Zip/Postal Code:
Telephone: (480) 276-1870
Fax:
Email Address: grants@turnanewleaf.org
Contact Type: Primary Contact
Creation Date: 12/12/2017
Last Saved By: 1000000008779379
Last Saved Date: 13-JUL-23 07.42.19.782921 PM
Notes:
***Internal Use Only?:** N
CEO First Name:
Principal Prefix:
CEO Last Name:
Mobile Phone:
CEO Email Address:
CEO Phone:
CEO Mobile Phone:
CEO/Executive Director Contact:
Person completing application:

Organization

***Organization Category:** Basic Needs
Official Name: ST MARYS FOOD BANK ALLIANCE
***Legal Name:** St. Mary's Food Bank Alliance
***Address:** 2831 N. 31st Ave.
Address 2:
***City:** Phoenix
***State:** Arizona
***Zip/Postal Code:** 85009-1518
***Main Telephone:** 602-343-3146
***Main Email Address:** Inotaro@stmarysfoodbank.org
***Website Address:** www.stmarysfoodbank.org
***Executive Director Name:** Milton Liu
***Executive Director Phone Number:** 602-343-3102
***Executive Director Email Address:** mliu@stmarysfoodbank.org

Proposal

***Request Owner:** Karla Esparza
Request Source: External (Submitted 07/12/2024)
Proposal Type: General Grant Application
***Determination Status:** Scheduled for Committee
Strategy:
Organization Category:
Type of Request:
Project Title: New Volunteer Center Equipment
In-Kind Request?: No
Request Amount: \$53,500.00
Requested Cash Amount: \$53,500.00
Cash Recommended:
In-Kind Recommended:
Describe Mission/Geographic Impact : Founded in 1967, St. Mary's mission is, "Bridging the gap for Arizona communities with nourishment for today and hope for tomorrow." St. Mary's is the state's largest food bank and serves people in eight Arizona counties (Maricopa, Navajo, Coconino, Yavapai, Mohave, Pinal, Gila and Apache), including the two largest in the state, primarily in central and northern Arizona. This covers approximately two-thirds of the state. In addition, each year St. Mary's provides tons of food to its sister food banks that provide food assistance to people in other areas of the state. Between conducting its own programs and providing support to other food banks, St. Mary's ultimately impacts hungry people statewide. Each year, more than 800,000 people benefit from St. Mary's food assistance programming.
Program/Project tie to SRP Goals:

The project meets SRP's stated goals and objectives to provide for people's basic needs (food) to improve the health and well-being of underserved and other people in our community. While St. Mary's is the state's largest food bank, it always has maintained its "small town approach" by operating as a collaborative community-based agency and distributing food from locations that provide a warm and welcoming environment. When the number of people seeking food assistance began to grow, St. Mary's started recruiting people to volunteer to help assemble food boxes for distribution, asking local retail stores and other businesses to donate food and money, and recruiting local schools, community centers, churches, and other places to serve as partner agencies by receiving food from St. Mary's to distribute to their hungry neighbors. As the need for food kept growing throughout Maricopa County and the state, we maintained this collaborative model by securing and training more partner agencies in large and small communities, provided them with food to help their neighbors, explained how to secure community volunteers to help with food distributions, and how to conduct outreach to let everyone in their communities know about the free food. This enabled St. Mary's to maintain its focus on being driven and supported by a community -- a community of agencies that receive and distribute food and volunteers that help them. This ensures people seeking food assistance are comfortable doing so because they are going to agencies they know and trust within their own communities. It also enabled St. Mary's to have a significantly greater impact on addressing Arizonan's basic need for food than one food bank could have on its own.

St. Mary's continues to use this very successful model. We rely on thousands of volunteers to come to our facilities to pack food boxes and bags every day for distribution throughout the state. St. Mary's is in the process of establishing a new Volunteer Center that will increase the number of people who can volunteer and the capacity to pack more boxes and bags. Now it needs to purchase equipment for the new Center, which is the basis of this grant request to SRP.

Project/Program Description:

The service St. Mary's will provide is food assistance to low-income, hungry people throughout the state by having a larger and improved facility for volunteers to help sort food and pack it into food boxes and bags. The goal of the new Volunteer Center is to increase the number of volunteers helping with these and other activities, ensuring their comfort in the facilities even during the hot summer months, and increase St. Mary's capacity to continually create and provide food boxes and other food items for distribution to people in need, including during times of crisis like the pandemic. The new Volunteer Center will enable St. Mary's to "ramp up" its food distribution services whenever it is needed by having space for more volunteers and workers to come on-site to create food boxes and bags and load them into trucks for delivery to food-insecure Arizonans.

For decades, thousands of people have generously donated their time to help St. Mary's prepare food for distribution to low-income, hungry Arizonans. This includes packing Emergency Food Boxes (EFBs) and Weekend Family Backpacks, and sorting donations of canned, boxed and other food items. Over those years, St. Mary's volunteer facilities underwent a few changes; however, they often were hot in the summer, cold in the winter, the production space was small, and the parking was limited. Despite these challenges, our amazing volunteers, including SRP employees, continued to come on-site to help their hungry neighbors. St. Mary's relies on its volunteers to assist thousands of hungry Arizonans every year, so it is imperative that we are able to retain the ones we have and continually recruit more people to volunteer.

St. Mary's new Volunteer Center will provide an entirely new experience for volunteers and will help the agency retain its current, and recruit additional, volunteers! The Volunteer Center will be located in a new building, have air conditioning and heating, and have ample parking and production space. The goals are to purchase new equipment needed for the Volunteer Center, increase St. Mary's capacity to create more EFBs, backpacks, and other items; more than triple the number of volunteers that can be accommodated at one time; retain at least 85% of current volunteers; increase the number of new volunteers by at least 5%; and ensure all of the EFBs and other food packages are being created and distributed to meet the growing need. Please see Use of Funds below that describes the specific equipment St. Mary's must purchase for the new Volunteer Center.

Program Metrics:

Intended Use of SRP Funds:

The program will directly benefit up to 40,000 volunteers who come to the new Volunteer Center to help create the different food packages. It also will directly benefit more than 800,000 low-income, food-insecure people in Maricopa County and statewide who will receive the free healthy food items through St. Mary's Food Distribution and other programming. The demographics of the people who will be served by the food is approximately 39% Hispanic, 13% African American, 43% Caucasian, 2% Asian, 2% Native American and 1% Other/Multiple Ethnicities. Hundreds of cities throughout the state will be reached by the food that was packed by St. Mary's volunteers. These include Phoenix, Surprise, Glendale, Peoria, Avondale, El Mirage, Sun City, Sun City West, Prescott, Flagstaff, Tuba City, and Dewey.

In order to get the new Volunteer Center operational. St. Mary's must purchase new equipment, for which it is requesting a grant of \$53,500 from SRP. These items are:

*10 new conveyers with belts: \$21,500. These are used to prepare the EFBs. Volunteers line up alongside the conveyers, put several food items into the EFBs, and then push the boxes to the next volunteer to do the same until they are filled.

*Two stretch wrap machines: \$32,000. As EFBs and other items are stacked onto pallets, they must be wrapped in plastic to ensure they stay intact while being placed into the trucks and driven to the partner agencies' sites. Currently, a volunteer or staff member manually wrap the boxes on each pallet before it is loaded into a truck. The new wrap machines will save a significant amount of time and labor costs to complete this task.

SRP Sponsorship Benefits:

We would be very pleased to recognize SRP for its funding in several ways. This would include recognition via social media, including Facebook and X; telling other donors about your funding when we send out reports about programs that rely on our volunteers' assistance; and recognizing SRP employees when they come to the new Volunteer Center. If you would like a media release or check presentation, we would be happy to recognize SRP in those ways as well.

Other Sources of Funding:

St. Mary's is requesting full funding for the new equipment from SRP. The other key partners for the programs that benefit from the volunteers' work (i.e., the Food Distribution Program) are the partner agencies that receive food boxes, bags, and backpacks from St. Mary's and distribute them to hungry people in their communities. Dozens of retail stores, farmers, civic groups, and others donate tons of food every year that the volunteers use to pack the EFBs, et al. Thousands of individuals, corporations, and foundations provide donations so St. Mary's can purchase additional food that is needed, but not donated in sufficient quantity, to ensure the EFBs and other food packages are nutritionally well-balanced.

Similar Organizations:

As mentioned earlier, St. Mary's sister food banks provide similar services in other parts of the state; however, they receive tons of food from St. Mary's to ensure they have enough to serve all the people requesting assistance. Smaller food banks and food pantries in the Greater Phoenix Area also provide food for hungry people. What differentiates St. Mary's from these organizations is that it is the largest food bank in the state, and it provides food to many of these agencies to provide through food boxes, congregate meals, and other methods to hungry people in their community. St. Mary's is the world's first food bank and the second largest in the nation in terms of areas it serves. Most other agencies that provide food in Arizona simply cannot procure all the food they need for their programs without help from St. Mary's and its strong partnerships with food suppliers within and outside the state.

In addition, as the world's first food bank, and the agency that established Feeding America, a nonprofit network of 200 food banks leading the fight against hunger in the United States, St. Mary's is a leader and expert in the food bank industry. We are involved in many local and national partnerships that raise awareness about, and help alleviate, hunger and avoid duplication of services. Partner agencies include the Arizona Department of Economic Security, other food banks, the Arizona Food Bank Network and Feeding America to identify underserved populations, coordinate food and transportation support, leverage resources, and manage accessibility to food. We also collaborate with other local food banks on a cooperative purchasing platform that allows each to secure produce at a lower cost.

Letter Signer & Title:

Internal Comments:

Attachments

In-Kind Supporting Documentation: InKind Request Documentation for SRP.pdf
Current Year Budget: St Marys Operations Budget 2024.pdf
Last Year's Budget: St Marys Operations Budget 2023.pdf
Program Budget: New Volunteer Center Equipment Budget 2024.pdf

Audited Financial Statements: St.-Marys-Audited Financial Report 2023.pdf

Board of Directors Listing: St Marys Board List 2023-24.pdf

List of Corporate Contributors: Corporate Donors 2023-24.pdf

Additional Attachment (1):

Additional Attachment (2):

Signed Letter & Non PO Payment Form:

Number of Events: 0

Custom Report:

Event 1 Name - Approved:

Event 1 Date - Approved:

Event 2 Name - Approved:

Event 2 Date - Approved:

Event 3 Name - Approved:

Event 3 Date - Approved:

Is your payee information different than your organization information that was previously provided?: No

Payment

Scan

Score	Scanned Entity	Match	WatchList Name	WatchList Detail
100%	John Drake (Contact Full Name)	DRAKE, JOHN	Excluded Party List System (EPLS)	DRAKE, JOHN Listing: DRAKE, JOHN - Individual Reason: Reciprocal Address: GREENVILLE SC 29607 USA Other: Active Date Other: Excluding Agency Other: Excluding Program Other: Excluding Type Other: Termination Date

Last Scanned By: (FrontDoor)

Last Scanned Time: 07/12/2024 11:32:30 EST

Reason for scan: External Request Submission

Match results must be accepted by the owner to clear red flag

Approval

Requested Amount: \$53,500.00

***Recommended Amount:**

Prior Approved Grants:

- 2008 - - \$100,000.00
- 2014 - Cooling Tower Replacement - \$10,000.00
- 2015 - - \$0.00
- 2015 - - \$250.00
- 2016 - - \$10,000.00
- 2017 - - \$20,000.00
- 2019 - Warehouse Coolers and Electric Pallet Jacks - \$40,000.00
- 2020 - Stand-up forklift - \$20,000.00
- 2020 - COVID-19 Relief Funds - \$20,000.00
- 2021 - Navajo Nation Pandemic Support - \$5,000.00
- 2021 - Operating Support for COVID-19 Relief - \$40,000.00
- 2022 - Payroll Deduction Grant - \$3,469.94

- 2022 - Payroll Deduction Grant - \$8,764.85
- 2022 - Payroll Deduction Grant - \$5,134.91
- 2022 - Payroll Deduction Grant - \$13,184.82
- 2022 - Payroll Deduction Grant - \$6,899.88
- 2022 - Payroll Deduction Grant - \$3,449.94
- 2022 - Payroll Deduction Grant - \$3,449.94
- 2022 - Route Truck Refrigeration Units - \$45,000.00
- 2023 - Payroll Deduction Grant - \$3,709.26
- 2023 - Payroll Deduction Grant - \$3,789.26
- 2023 - Payroll Deduction Grant - \$3,695.26
- 2023 - Payroll Deduction Grant - \$3,695.26
- 2023 - Payroll Deduction Grant - \$5,530.39
- 2023 - Payroll Deduction Grant - \$7,061.20
- 2023 - Payroll Deduction Grant - \$5,566.26
- 2023 - Donate via Credit Card Grant - \$980.00
- 2023 - Grocery Rescue Route Truck - \$50,000.00
- 2023 - Payroll Deduction Grant - \$3,724.26
- 2023 - Payroll Deduction Grant - \$5,616.39
- 2023 - Payroll Deduction Grant - \$3,734.26
- 2023 - Payroll Deduction Grant - \$3,784.26
- 2024 - Payroll Deduction Grant - \$4,527.86
- 2024 - Payroll Deduction Grant - \$4,428.86
- 2024 - Payroll Deduction Grant - \$4,502.86
- 2024 - Payroll Deduction Grant - \$6,754.29
- 2024 - Payroll Deduction Grant - \$4,572.86
- 2024 - Payroll Deduction Grant - \$7,819.86
- 2024 - Donate via Credit Card Grant - \$300.00
- 2024 - New Swamp Coolers - \$50,000.00
- 2024 - Payroll Deduction Grant - \$3,724.26
- 2024 - Donate via Credit Card Grant - \$400.00
- - -
- - - \$0.00
- - -

Request Status: Pending

Contact

Salutation: Ms.
***First Name:** Lisa
Middle Name:
***Last Name:** Notaro
Vendor Number:
Title: Chief Development and Communications Officer
Title (CEO):
Address:
Address 2:
City:

State:
Province:
Country:
Zip/Postal Code:
Telephone: 602-343-3146
Fax:
Email Address: Inotaro@stmarysfoodbank.org
Contact Type: Primary Contact
Creation Date: 05/23/2018
Last Saved By: 1000000008196881
Last Saved Date: 28-JUN-23 05.02.38.637517 PM
Notes:
***Internal Use Only?:** N
CEO First Name:
Principal Prefix:
CEO Last Name:
Mobile Phone:
CEO Email Address:
CEO Phone:
CEO Mobile Phone:
CEO/Executive Director Contact:
Person completing application:

Organization

***Organization Category:** Basic Needs
Official Name: UNITED FOOD BANK
***Legal Name:** United Food Bank
***Address:** 245 S Nina Dr
Address 2: unitedfoodbank.org
***City:** Mesa
***State:** Arizona
***Zip/Postal Code:** 85210
***Main Telephone:** 14809264897
***Main Email Address:** beckyhinds@unitedfoodbank.org
***Website Address:** www.unitedfoodbank.org
***Executive Director Name:** Jason Reed
***Executive Director Phone Number:** 480-926-4897 x202
***Executive Director Email Address:** jasonreed@unitedfoodbank.org

Proposal

***Request Owner:** Karla Esparza
Request Source: External (Submitted 07/12/2024)
Proposal Type: General Grant Application
***Determination Status:** Scheduled for Committee
Strategy:
Organization Category:
Type of Request:
Project Title: Emergency Food Assistance 2024
In-Kind Request?: No
Request Amount: \$40,000.00
Requested Cash Amount: \$40,000.00
Cash Recommended:
In-Kind Recommended:

Describe Mission/Geographic Impact : To united communities to alleviate hunger. Service area includes Eastern Maricopa County, Pinal and Gila Counties, and Southern Apache and Navajo Counties.

Program/Project tie to SRP Goals: United Food Bank strives to help increase community stability by caring for individuals who are in need of food, shelter, and safety from violent or crisis situations. The organization provides food so that partner agencies can focus on delivering the other health and human services needed.

Project/Program Description: United Food Bank works in 5 counties in Arizona with the mission to "unite communities to alleviate hunger." By providing food to 120 agency partners, we aim to improve the well-being of children, youth, and adults who are low-income, unhoused, at risk, vulnerable, or in crisis. United Food Bank sources food from various channels, including food drives, bulk purchases, in-kind donations, grocery rescue, and produce cooperatives. The food distributed by agency partners includes non-perishable pantry items in the form of Emergency Food Bags (EFBs), bread, milk, eggs, perishable produce, and refrigerated/frozen food. Each food allotment can sustain a household for 3-4 days. Additionally, the United Food Bank works with agency partners to provide afternoon snacks for youth, weekend backpacks of food for youth, and food for congregate meal service.

Increased Need

In 2023, United Food Bank served over 2.5 million Arizonans while also observing a steady increase in demand from 2022. Simultaneously, community needs increased as food donations from government funding decreased, meaning that despite producing 32% more food bags in FY23, United Food Bank had to reduce the average amount of food in each bag by 40%. With the ongoing high prices of food, housing, and healthcare, United Food Bank is working to increase food resources and ensure no Arizonan goes hungry.

The 2024 Feeding America Map the Meal Gap reports that there are 627,850 individuals (a nearly 180,000-person increase from the previous report) experiencing food insecurity in the United Food Bank service area. For Maricopa County alone, 12% of the population experiences food insecurity, but 43% of that is above the income threshold to receive government assistance through the Supplemental Nutrition Assistance Program (SNAP). That means it is estimated that over 27,000 people in Maricopa County do not have enough money to pay bills and purchase food but make too much for assistance from the government.

Example of New Assistance Requests

Story from a May Food Distribution:

From Emmanuel, "This is my first time at the distribution, I live with my parents and my sister. I have my wife in Mexico, helping her get her papers and all that. It's kind of rough sometimes. We've just been saving money to help get her here, and so this will help save money on food. The process is going well, I think. My whole life, I've lived right here in Arizona, and right now, I work in construction. I've just been growing up with my family and working pretty much. I like what I do, but you know, it gets kind of warm outside, so I stay hydrated. I heard about this (food distribution) from my church, which is right around here. They were talking about it in small groups and everything. They told me about it and that it was today, and that's why I came to try it and check it out. Whatever they offer, I will take. Thank you!"

Program Metrics: Last fiscal year, United Food Bank rescued, sourced, and distributed more than 22 million pounds of food, much of which would otherwise go to a landfill. We work closely with a network of 120 trusted community partners and programs, both here in the Valley and in rural Arizona, to get food to our neighbors experiencing food insecurity. Over 2.5 million Arizonans from Tempe to Springerville received services from a United Food Bank partner agency seeking emergency food resources -- a diverse population of people of every race, ethnicity, gender, age, and health condition who lack the nutritious food they need to survive and thrive. United Food Bank can provide five meals for every \$1 donated. Thus, the \$40,000 program operations grant will help provide 200,000 meals to people throughout five counties in Arizona.

Intended Use of SRP Funds: United Food Bank distributes fresh produce, dairy, meat, and non-perishable food items in bulk quantities to partner agencies for use in their food assistance programs. The funds (\$40,000) will help coordinate the acquisition, storage, and distribution of this food. For example, United Food Bank needs funding to fuel the trucks as well as pay the drivers and warehouse staff. Program operating costs have experienced a 15% increase over the last year. The remaining \$5,000 would be used to purchase a sponsorship to help underwrite United Food Bank's Annual Friends Breakfast, which will take place in the Fall of 2024. At the Friends Breakfast, we introduce new community stakeholders to United Food Bank's work and raise mission-critical funds.

SRP Sponsorship Benefits: Sponsorships benefits include:

- A table of 8 complimentary preferred seating tickets
- Featured as a preferred sponsor
- Logo and podium recognition at the event and in all collateral

Other Sources of Funding: Collaboration is the key to United Food Bank accomplishing our mission. When it comes to these important partnerships, we can categorize them into three groups.

(1) Our Partner Agency Network: United Food Bank works daily with 120 non-profit or government-based human and social service partners (I.E., smaller food pantries, school food programs, soup kitchens, senior centers, and more) to ensure access to much-needed food for those experiencing hunger in our service area.

(2) State-wide Food Resources: United Food Bank collaborates with other food banks in Arizona, and in some cases throughout the country, through the Arizona Food Banks Network (AzFBN), our partner since its founding in 1985. AzFBN leads the charge in the public policy arena by advocating for food-insecure people throughout the state with accurate, high-impact information and coordinated messages. United Food Bank also serves as a member of the Department of Economic Security's Hunger Advisory Council and works with DES's Hunger Relief Program staff to give and receive input on hunger challenges, issues, and updates regarding the USDA's The Emergency Food Assistance Program (TEFAP) and other nutrition programs. Additionally, we continue to expand our partnership with local farmers and growers to support efforts at United Food Bank to provide more healthy food to all Arizonans struggling with food insecurity.

(3) Our Local Community: United Food Bank works regularly with the larger community, including businesses, schools, civic groups, and faith-based organizations, to conduct food drives, engage volunteers at United Food Bank, host special events, contribute financially to our programs, and help us identify ways to serve the region better. Working with thousands of volunteers in F.Y. 23-24 who gave a combined 40,000+ total volunteer hours, it is estimated that the food bank received volunteer assistance comparable to 8 full-time employees, or \$960,000.

United Food Bank takes great care in leveraging all donated funds, including donations and grants from individuals, corporations like Fry's, Wells Fargo, APS, and Bank of America, and foundations including Thunderbirds Charities, Halle Family Foundation, and the Salt River Pima Maricopa Indian Community. Additionally, we steward over \$35 million in food donations each year (much of it from Feeding America partnerships). We could not alleviate hunger without community support and engagement.

Similar Organizations:

As a regional food distribution center, we are uniquely positioned to acquire, store, and distribute large volumes of perishable and non-perishable food throughout the community. There is no other organization serving Eastern Maricopa County and Eastern Arizona that provides the same or similar functions as United Food Bank.

Letter Signer & Title:

Internal Comments:

Attachments

In-Kind Supporting Documentation:

Sponsorship Packet: FBS 2024.pdf

Current Year Budget: FY23-24 Org Budget for Grants.xlsx

Last Year's Budget: FY23-24 Org Budget for Grants.xlsx

Program Budget: FY23-24 Org Budget for Grants.xlsx

Audited Financial Statements: 2022-2023 Audited Financial Statements.pdf

Board of Directors Listing: FY23-24 Board Members contact sheet compressed.pdf

List of Corporate Contributors: Major Funders FY23-24.pdf

Additional Attachment (1):

Additional Attachment (2):

Signed Letter & Non PO Payment Form:

Number of Events: 1

Event One

Event 1 Event Name: Annual Friends of United Food Bank Breakfast 2024

Event 1 Date: 11/13/2024

Event 1 Location : Sunkist Warehouse

254 W Broadway Rd

Mesa, AZ 85210

Event 1 Number of Attendees: 200

Event 1 Cash Requested: 5000

Event 1 In-Kind Requested: 0

Event 1 Other Event Info: Sponsorships benefits include:

· A table of 8 complimentary preferred seating tickets

· Featured as a preferred sponsor

· Logo and podium recognition at the event and in all collateral

At the Friends Breakfast, we introduce new community stakeholders to United Food Bank's work and raise mission-critical funds.

SRP Volunteer Opportunities? 1: Yes

Event 1 Net Proceeds Previous Year: \$30,000.00

Event 1 Other Event Sponsors : Yes

Event 1 Other Sponsors and Dollar Amount: TBD, solicitations are going out now.

Event 1 Promo Booth: No

Custom Report:

Event 1 Name - Approved:

Event 1 Date - Approved:

Event 2 Name - Approved:

Event 2 Date - Approved:

Event 3 Name - Approved:

Event 3 Date - Approved:

Is your payee information different than your organization information that was previously provided?: No

Payment

Scan

Score	Scanned Entity	Match	WatchList Name	WatchList Detail
100%	Melissa Forrester (Contact Full Name)	FORRESTER, MELISSA	Excluded Party List System (EPLS)	FORRESTER, MELISSA Listing: FORRESTER, MELISSA - Individual Reason: Reciprocal Address: OROVILLE CA 95966 USA Other: Active Date Other: Additional Comments Other: CT Code Other: Excluding Agency Other: Excluding Program Other: Excluding Type Other: Termination Date
100%	Melissa Forrester (Contact Full Name)	FORRESTER, MELISSA	Excluded Party List System (EPLS)	FORRESTER, MELISSA Listing: FORRESTER, MELISSA - Individual Reason: Reciprocal Address: OROVILLE CA 95966 USA Other: Active Date Other: CT Code Other: Excluding Agency Other: Excluding Program Other: Excluding Type Other: Termination Date
100%	Melissa Forrester (Contact Full Name)	FORRESTER, MELISSA	OIG Exclusions	FORRESTER, MELISSA Listing: FORRESTER, MELISSA - Individual Address: 2457 ORO QUINCY HWY OROVILLE CA 95966 Occupation: NURSING PROFESSION Occupation: NURSE/NURSES AIDE DOB: 1967-04-22 Incident: 1128b4

Last Scanned By: (FrontDoor)

Last Scanned Time: 07/12/2024 18:12:39 EST

Reason for scan: External Request Submission

Match results must be accepted by the owner to clear red flag

Approval

Requested Amount: \$40,000.00

***Recommended Amount:**

Prior Approved Grants:

- 2013 - Operations and UFB Fall Event - \$0.00
- 2014 - - \$10,000.00
- 2015 - - \$10,000.00
- 2016 - - \$10,000.00
- 2019 - Emergency & Supplemental Food Assistance Program - \$30,000.00
- 2019 - 2018 Orange Ball Sponsorship - \$5,000.00
- 2020 - Collaborating to Combat Hunger - \$15,000.00
- 2020 - COVID-19 Relief Funds - \$20,000.00
- 2021 - United Food Bank and Waste Not - \$15,000.00
- 2021 - Waste Not COVID Relief Work - \$2,500.00
- 2022 - Payroll Deduction Grant - \$454.60
- 2022 - Payroll Deduction Grant - \$1,011.50
- 2022 - Payroll Deduction Grant - \$516.90
- 2022 - Payroll Deduction Grant - \$1,358.80
- 2022 - Pandemic Relief Support - \$10,000.00
- 2022 - Payroll Deduction Grant - \$344.60
- 2022 - Payroll Deduction Grant - \$364.60
- 2022 - Payroll Deduction Grant - \$384.60
- 2022 - Pandemic Relief Support - \$5,000.00
- 2022 - Payroll Deduction Grant - \$409.60
- 2022 - Basic Food Assistance in Eastern Maricopa and Gila - \$20,000.00
- 2022 - Payroll Deduction Grant - \$60.00
- 2023 - Payroll Deduction Grant - \$272.40
- 2023 - Payroll Deduction Grant - \$390.00
- 2023 - Payroll Deduction Grant - \$274.40
- 2023 - Payroll Deduction Grant - \$268.40
- 2023 - Payroll Deduction Grant - \$264.40
- 2023 - Payroll Deduction Grant - \$408.60
- 2023 - Payroll Deduction Grant - \$607.00
- 2023 - Payroll Deduction Grant - \$20.00
- 2023 - Payroll Deduction Grant - \$338.40
- 2023 - Payroll Deduction Grant - \$18.00
- 2023 - Emergency Food Assistance and Breakfast Sponsorship - \$25,000.00
- 2023 - Payroll Deduction Grant - \$274.40
- 2023 - Payroll Deduction Grant - \$411.60
- 2023 - Payroll Deduction Grant - \$276.40
- 2023 - Payroll Deduction Grant - \$274.40
- 2023 - Dollars for Doers Grant - \$750.00
- 2024 - Payroll Deduction Grant - \$462.54
- 2024 - Payroll Deduction Grant - \$456.54
- 2024 - Payroll Deduction Grant - \$462.54

- 2024 - Payroll Deduction Grant - \$693.81
- 2024 - Dollars for Doers Grant - \$1,000.00
- 2024 - Payroll Deduction Grant - \$462.54
- 2024 - Payroll Deduction Grant - \$672.54
- 2024 - Emergency Hunger Relief Services - \$40,000.00
- 2024 - Payroll Deduction Grant - \$274.40
- - -

Request Status: Pending

Contact

Salutation: Mrs.
***First Name:** Jacquelyn
Middle Name:
***Last Name:** Ahrenberg
Vendor Number:
Title: Grants Manager
Title (CEO):
Address:
Address 2:
City:
State:
Province:
Country:
Zip/Postal Code:
Telephone: 4809264897
Fax:
Email Address: grants@unitedfoodbank.org
Contact Type:
Creation Date: 08/13/2019
Last Saved By: v1munoz
Last Saved Date: 04-APR-23 04.46.58.000000 PM
Notes:
***Internal Use Only?:** N
CEO First Name:
Principal Prefix:
CEO Last Name:
Mobile Phone:
CEO Email Address:
CEO Phone:
CEO Mobile Phone:
CEO/Executive Director Contact:
Person completing application:

Salutation:
***First Name:** Mandy
Middle Name:
***Last Name:** Hodges
Vendor Number:
Title: Grants Manager

Title (CEO):
Address:
Address 2:
City:
State:
Province:
Country:
Zip/Postal Code:
Telephone: 480-926-4897
Fax:
Email Address: mhodges@unitedfoodbank.org
Contact Type:
Creation Date: 07/27/2022
Last Saved By: 1000000009766955
Last Saved Date: 12-JUL-24 05.31.58.638360 PM
Notes:
***Internal Use Only?:** N
CEO First Name:
Principal Prefix:
CEO Last Name:
Mobile Phone:
CEO Email Address:
CEO Phone:
CEO Mobile Phone:
CEO/Executive Director Contact:
Person completing application:

2024 SRP Boosters Campaign

District and Association Board Meeting

Alaina Fitzpatrick | September 9, 2024

2024 SRP Boosters Campaign

Summary

- Theme: Power of Pledges
- Dates: Wednesday, September 11 through Thursday, October 10 (four weeks)
- Pledge goal: \$1,700,000
- Agency spotlight events: PAB September 12 and September 26



2024 SRP Boosters Campaign



**POWER
OF PLEDGES**
EMPLOYEE BOOSTERS



JIM PRATT
GENERAL MANAGER
AND CHIEF EXECUTIVE OFFICER

LESLIE MEYERS
ASSOCIATE GENERAL MANAGER
OF WATER STEWARDSHIP

STEVE VITAL
LOCAL UNION 266 BUSINESS MANAGER

JESSICA NELSON
SENIOR BUSINESS ANALYST

RORI MINOR
COMMUNITY ENGAGEMENT STRATEGIST

VICTORIA MAURER
SENIOR TRAINING ANALYST



**POWER
OF PLEDGES**
EMPLOYEE BOOSTERS

2024 SRP Boosters Campaign

Agency Highlight

- Agency: AZCEND
- Purpose: Changes lives by nourishing minds and bodies to create a connected, thriving community. Helps vulnerable populations meet life's most pressing needs by providing essential resources
- About:
 - Established in Chandler, AZ -1966
 - Began as a food bank and has grown to serve different community needs



2024 SRP Boosters Campaign

Agency Highlight

- Agency: Soldier's Best Friend
- Purpose: Provides US military veterans living with combat-related post-traumatic stress disorder (PTSD) or traumatic brain injury (TBI) with service or therapeutic companion dogs, most of which are rescued from local shelters.
- About:
 - Established in 2011
 - Training locations include Phoenix area, Tucson, Prescott, Flagstaff, Show Low, Yuma & Sierra Vista



2024 SRP Boosters Campaign

Path to success

- Strong presentations to the company that include an ask to pledge
- Great marketing and communications
- Motivated and informed coordinators
- Implementation of new coordinator application
- Executive and management support
- A persistent, accountable, and creative Board – everyone owns the goal



2024 SRP Boosters Campaign

Risks

- Inflation
- Change of agency selection
- Limited attention (work changes, etc.)



2024 SRP Booster Campaign

Potential

- Pledging continues to increase each year
- Retirees eligible to participate
- Implemented Coordinator Application to increase collaboration
- Increased events
 - Two agency events at PAB
 - Additional events hosted at Valley-wide service centers and power plants



thank you!



Economic Outlook

District and Association Board Meeting

Dennis Hoffman and Paul Bachman | September 09, 2024

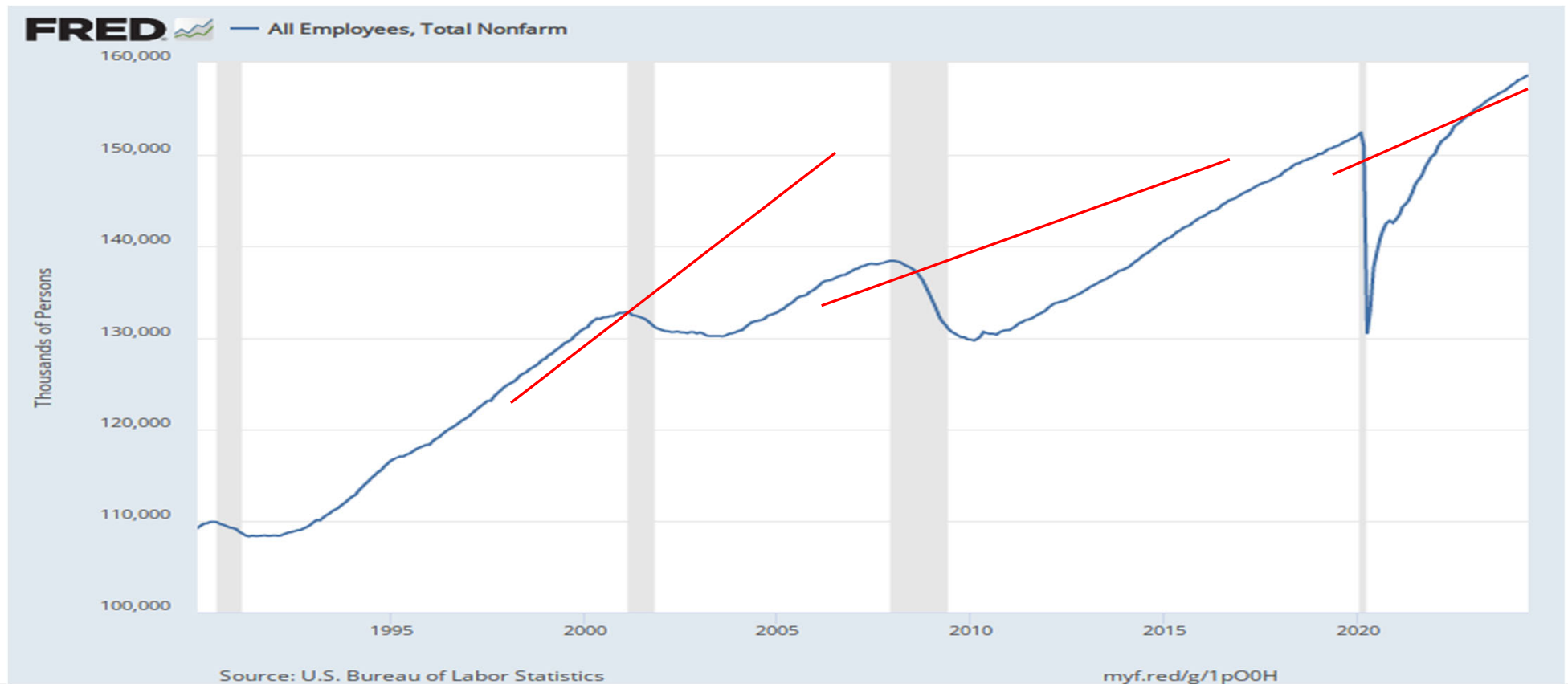
Economic Update Sept 2024

- **Economic Outlook Sept 2024**
 - **Status of US Economy**
 - **Status of Phx Metro**
 - **Where We are Heading**
 - **Risks and Opportunities for Growth**

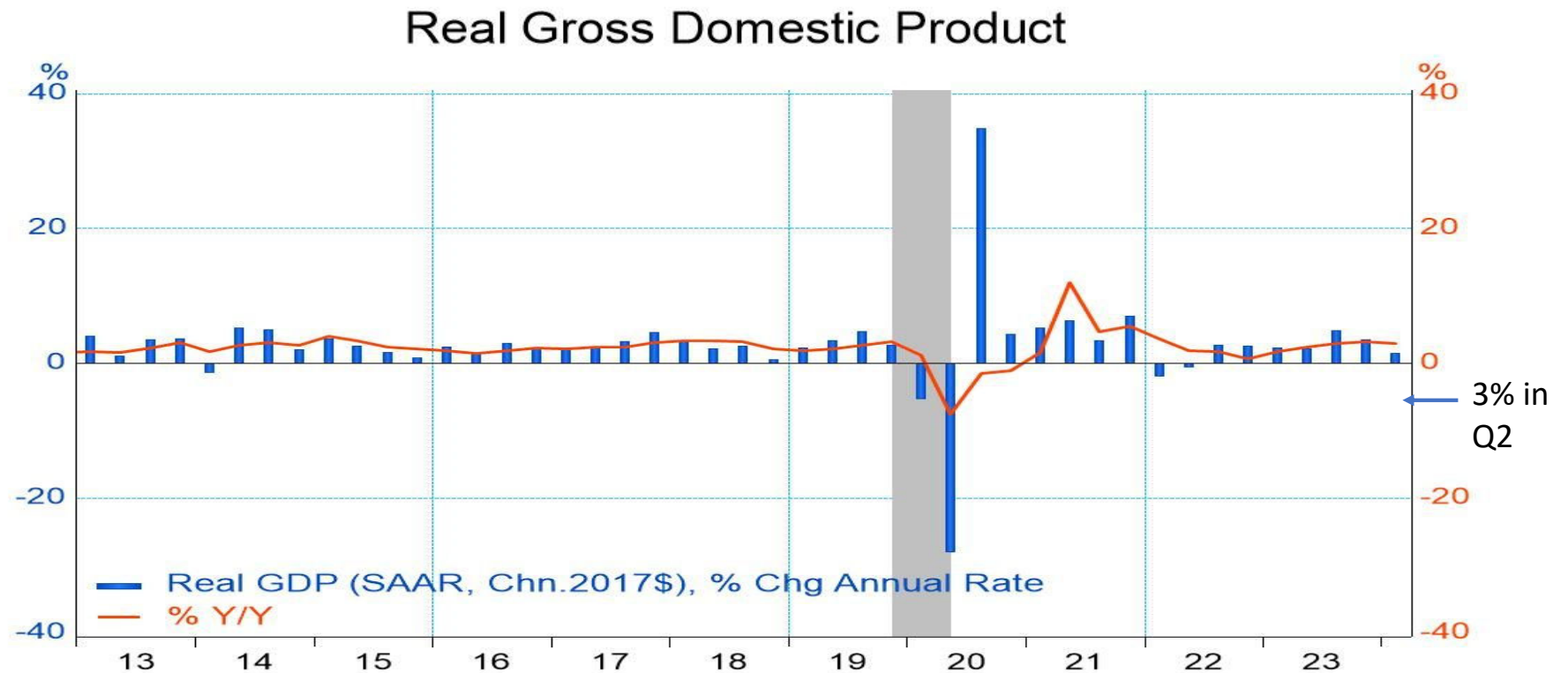
Can't Assess Today Without Remembering Pandemic

- US Economy was essentially shut down in the spring of 2020
- Impact of Shutdown and Policy response thereafter explains most of what has happened in the economy.
- Distortions and disruptions in Labor Market
- Surge in demand for goods created world wide inflationary spiral
- 2023-24 has seen somewhat of a return to normalcy

Nonfarm Employment since 1990

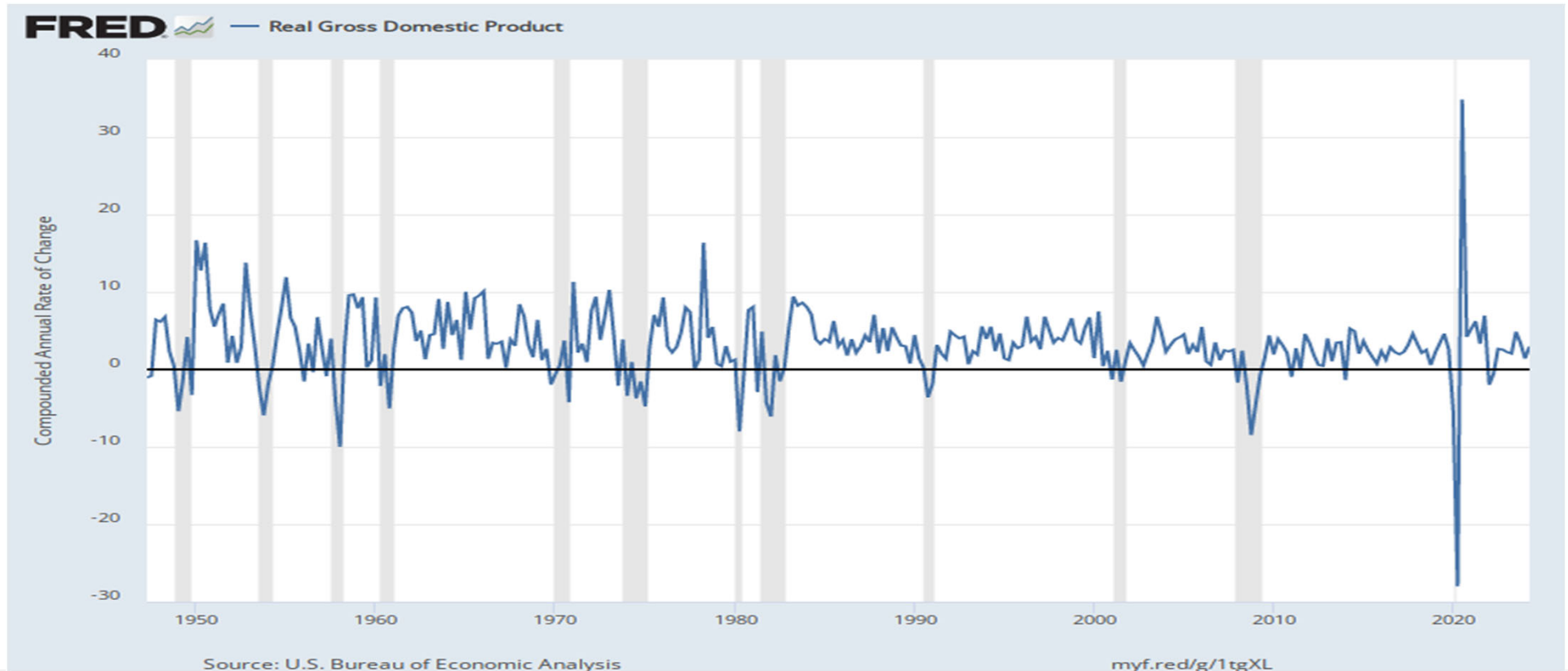


GDP Growth History – Past 10 Years

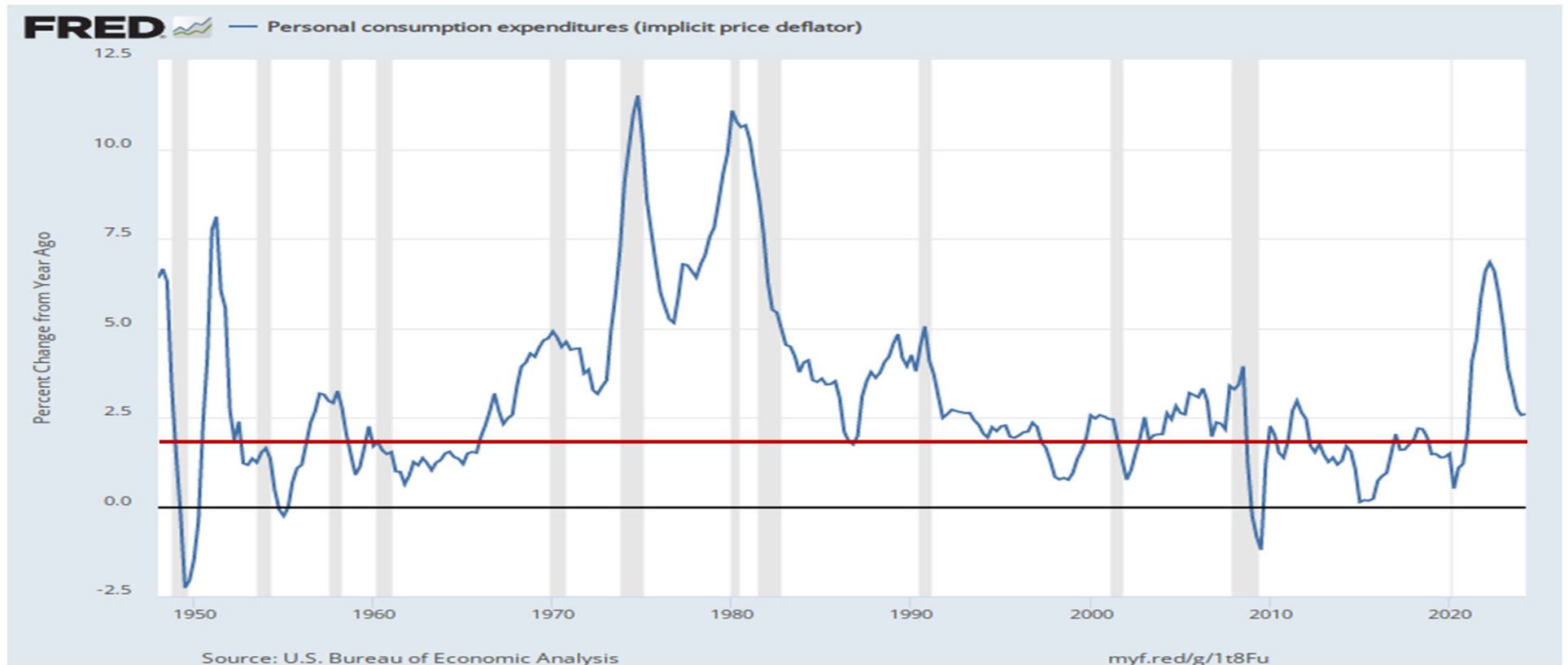


Source: Bureau of Economic Analysis/Haver Analytics

GDP Growth History Since 1948



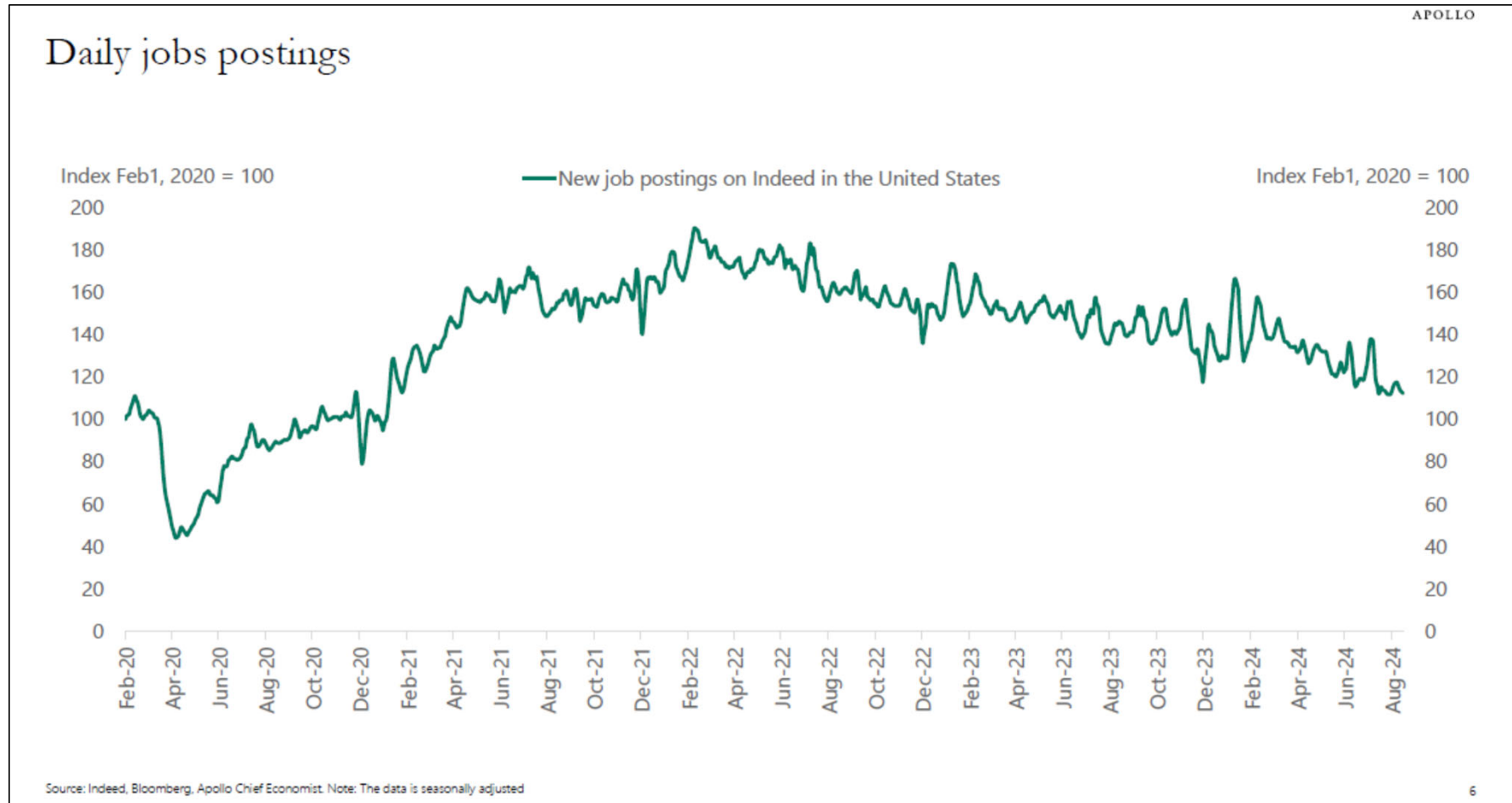
Inflation Now at 2.6% Year over Year



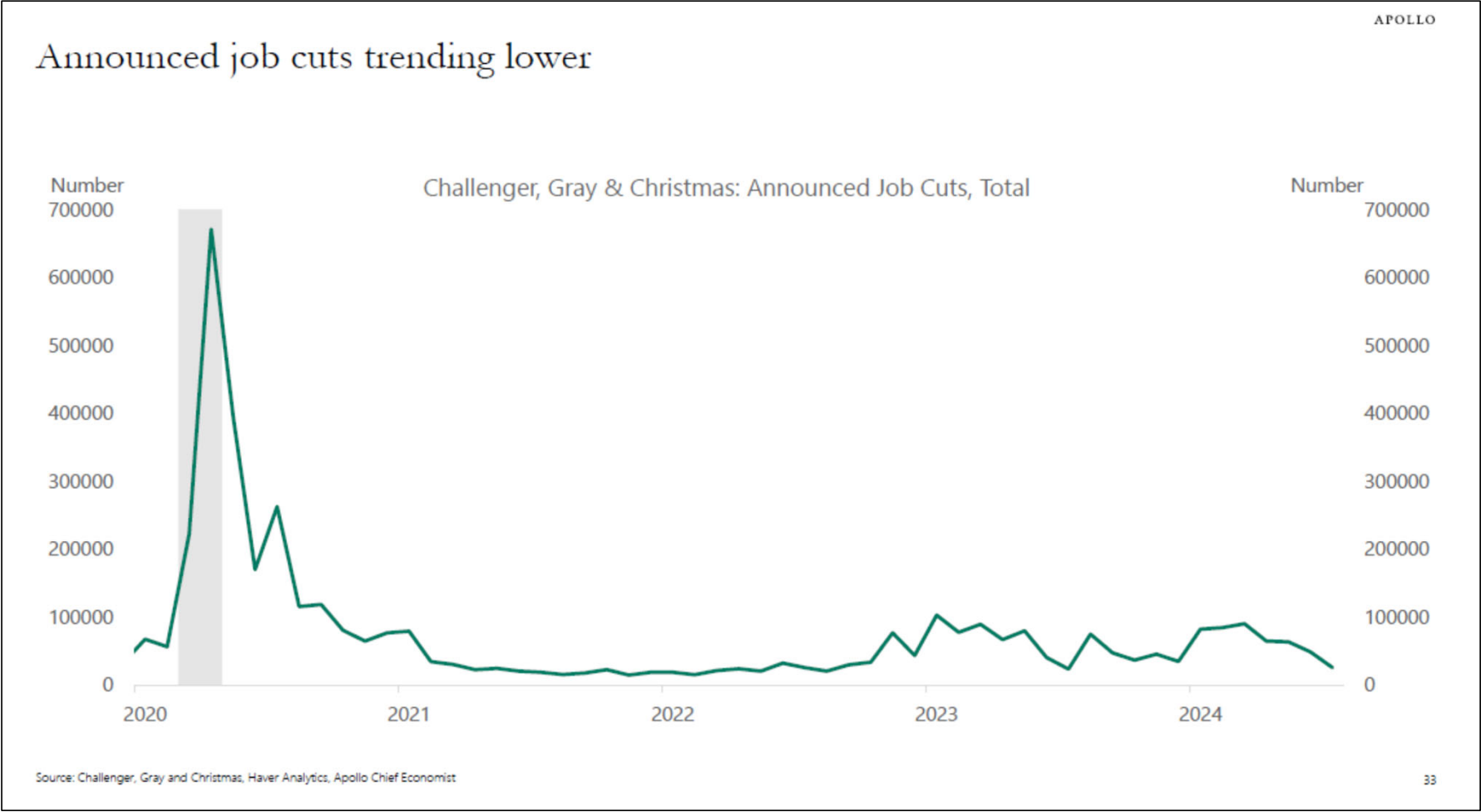
Inflation Following the Pandemic Was A Worldwide Phenomenon

	euro area	Canada	France	Germany	Italy	Japan	UK	US
Inflation								
2019	1.5	2	1	1.5	1.5	0.5	2	2
2022 peak	10.5	8	6	9	12	4	9.5	9
early 2024	2.5	3	2	2	1	2.7	3	3

Daily Jobs Postings Moderated Under Fed Tightening But Remain Solid

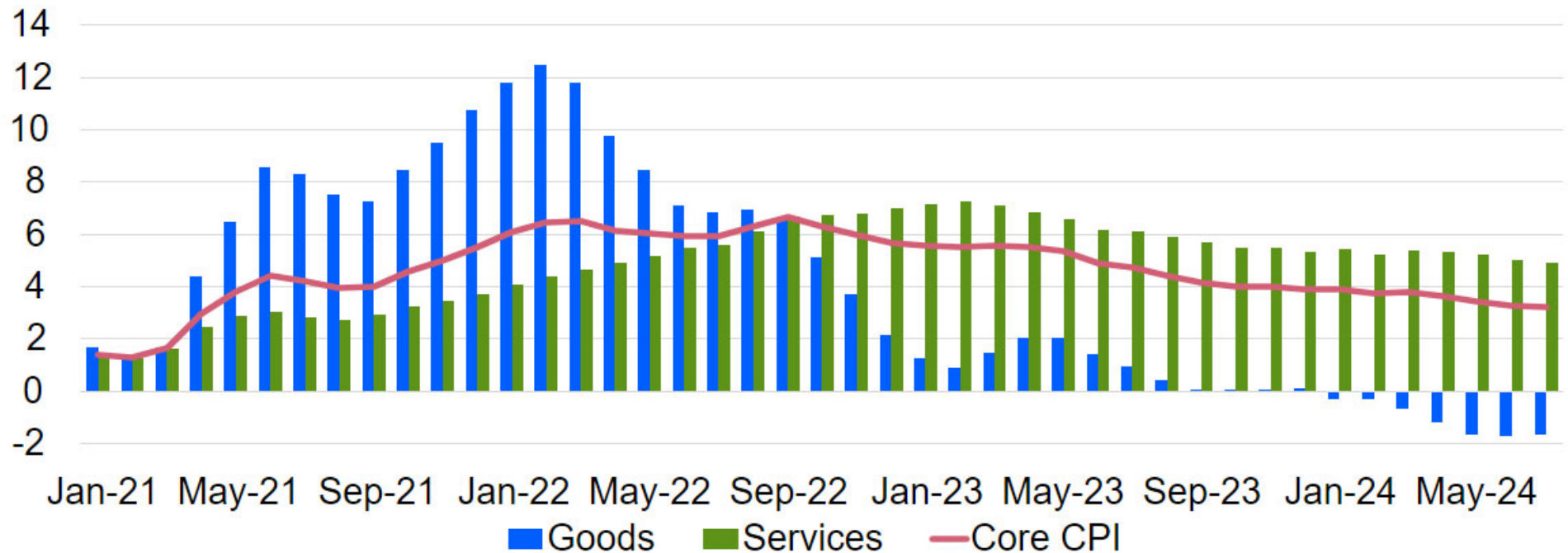


Job Cuts Trending Down Again After Modest Peak in 2024



We've Come a Long Way

U.S. consumer price index, ex food and energy, % change yr ago

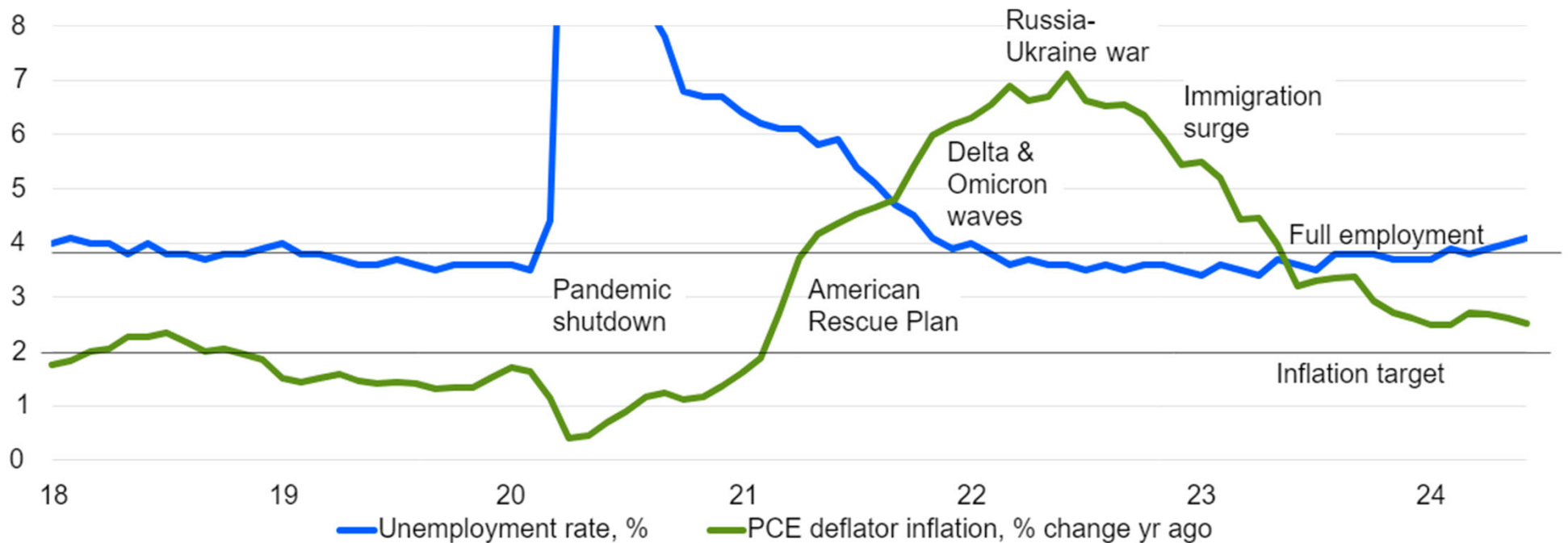


Sources: BLS, Moody's Analytics

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Forecasts of US Economy

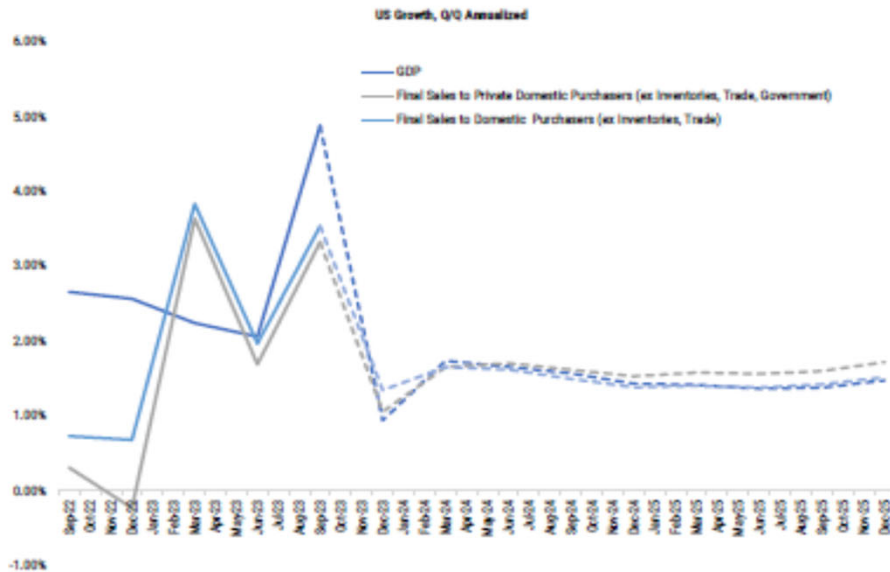
Federal Reserve Achieves Its Dual Mandate



Sources: BLS, Moody's Analytics

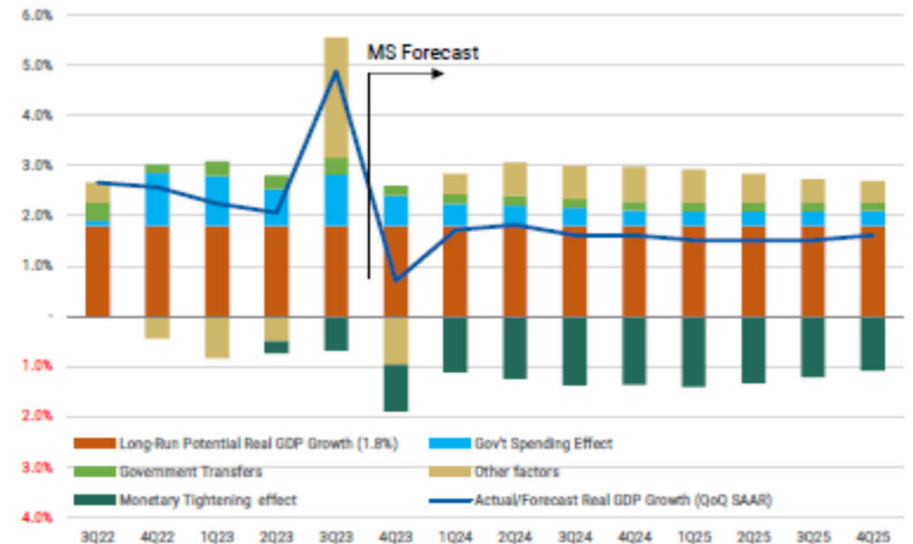
Morgan Stanley Classic Soft Landing Scenario

Exhibit 1: Growth slows into 2025...



Source: Bureau of Economic Analysis, Morgan Stanley Research forecasts

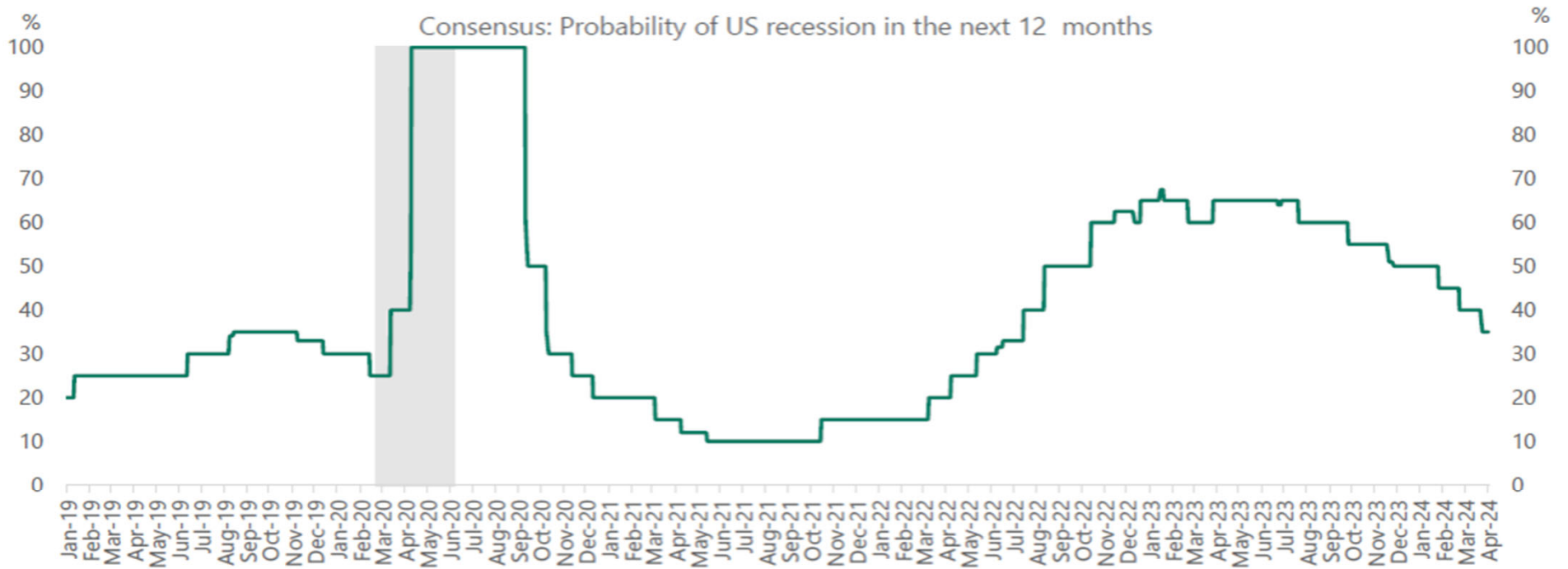
Exhibit 2: ...as the monetary drag grows



Source: Federal Reserve, Treasury, Bureau of Economic Analysis, Morgan Stanley Research forecasts

Morgan Stanley Not Alone In Their Thinking

US recession probability falling



Source: Bloomberg, Apollo Chief Economist

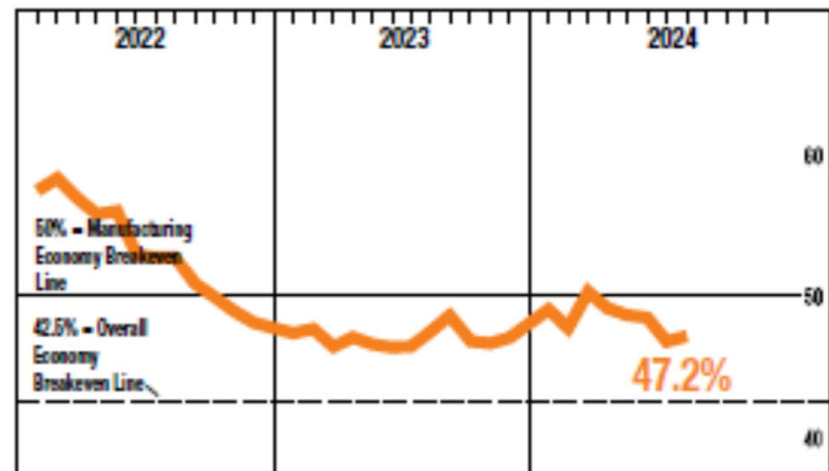
420

Projections from the National Blue Chip Forecast Panel

- Blue-chip consensus GDP growth figures for 2024 stand at 2.3% (2.7-2.4) while the panel consensus for 2025 is 1.8%(1.3-2.3)
- For 2024 the panel is looking for inflation to run at 3.0%(3.2-2.9) CPI and 2.5%(2.4-2.6) PCE
- 2024 unemployment rates 4.1%(4.0-4.2) and the 10-year treasury at 4.3%(4.1-4.7)
- For 2025 the panel is looking for inflation to run at 2.3%(2.6-2.0) CPI and 2.1%(2.3-1.9) PCE
- 2025 unemployment rates 4.3%(4.7-4.1) and the 10-year treasury at 4.0%(4.4-3.5)

MANUFACTURING PMI® at 47.2%

The U.S. manufacturing sector contracted for the fifth consecutive month in August, as the Manufacturing PMI® registered 47.2 percent, up 0.4 percentage point compared to July's reading of 46.8 percent. After breaking a 16-month streak of contraction by expanding in March, the manufacturing sector has contracted the last five months, but at a slower rate in August. Of the five subindexes that directly factor into the Manufacturing PMI®, only one (Supplier Deliveries) was in expansion territory, the same as in July.



Risks and Opportunities for US Economy

Reasons for Caution

- Recession risk elevated
- Lagged impacts of monetary policy
- Wall Street froth & services inflation sticky
- Geopolitical/Domestic/Natural Shocks “Think Iran/Israel”
- Federal govt disfunction

Reasons to be optimistic

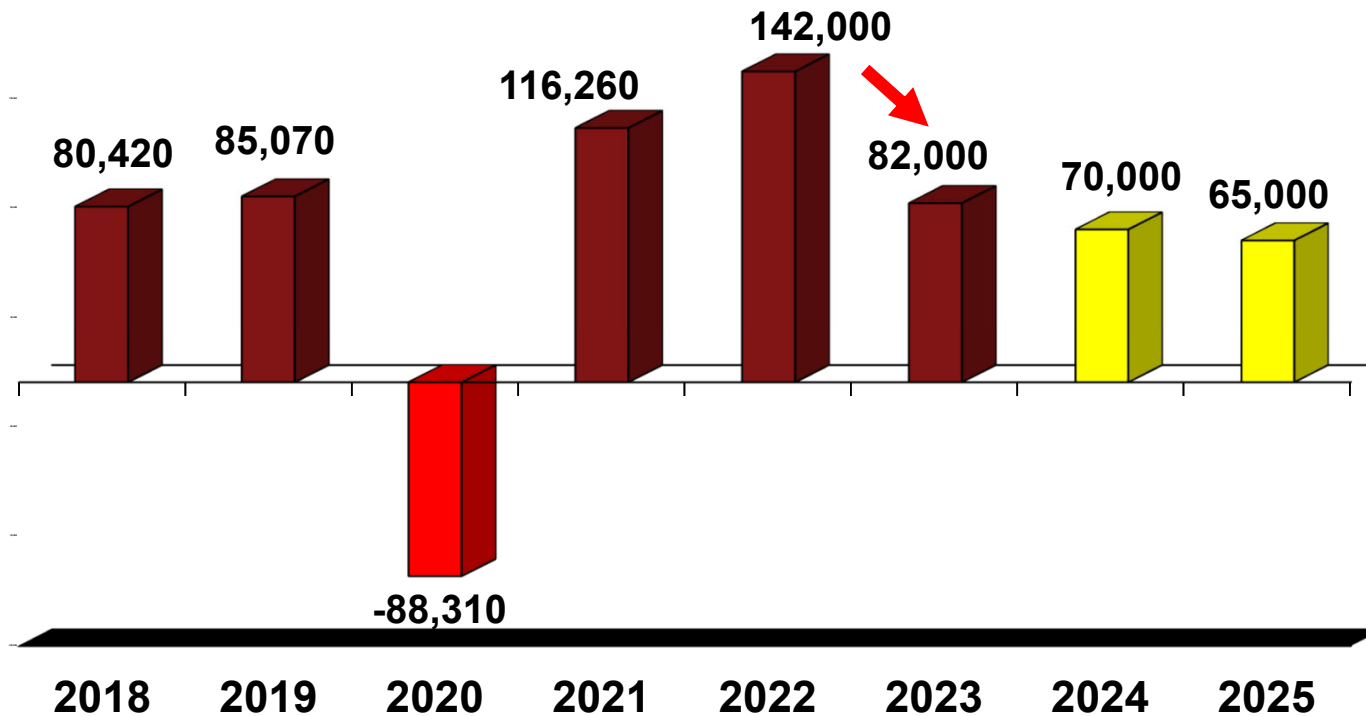
- Health of Labor Market
- Improving Health of Consumer
- Interest rates likely headed down soon
- Still a ton of cash on the sidelines and in reserve

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Regional Economy Status

Tight Fed Policy Reins in Arizona Job Growth

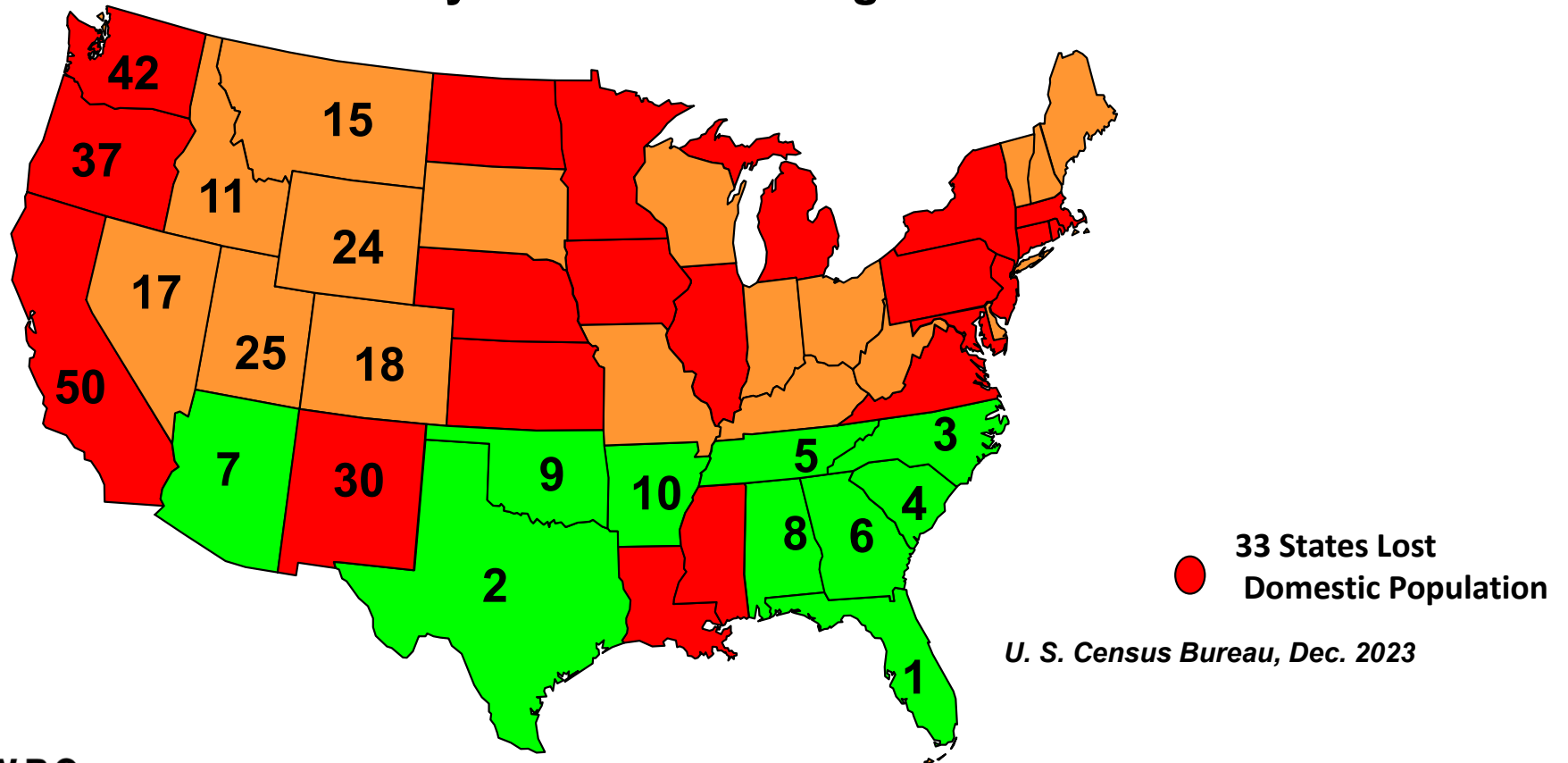
Annual Change In Arizona Nonfarm Jobs 2018 - 2025



Source: W. P. Carey School of Business and U.S. Bureau of Labor Statistics

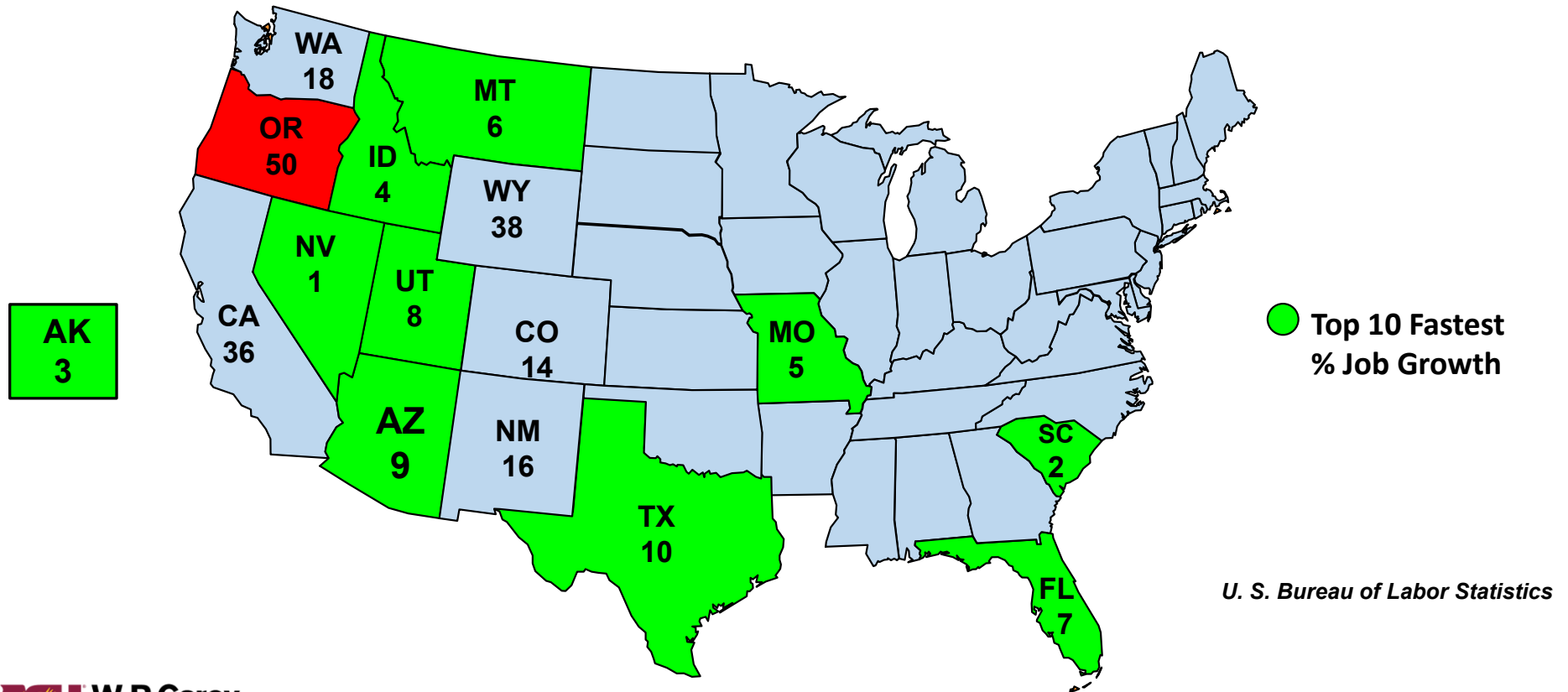
Domestic Migration to Sunbelt Continues

Ranked by Net Domestic Migration In 2023



Arizona Ranks 9th in Rate of Job Creation

Ranked by Percent Change in Employment: Year-to-Date July 2024



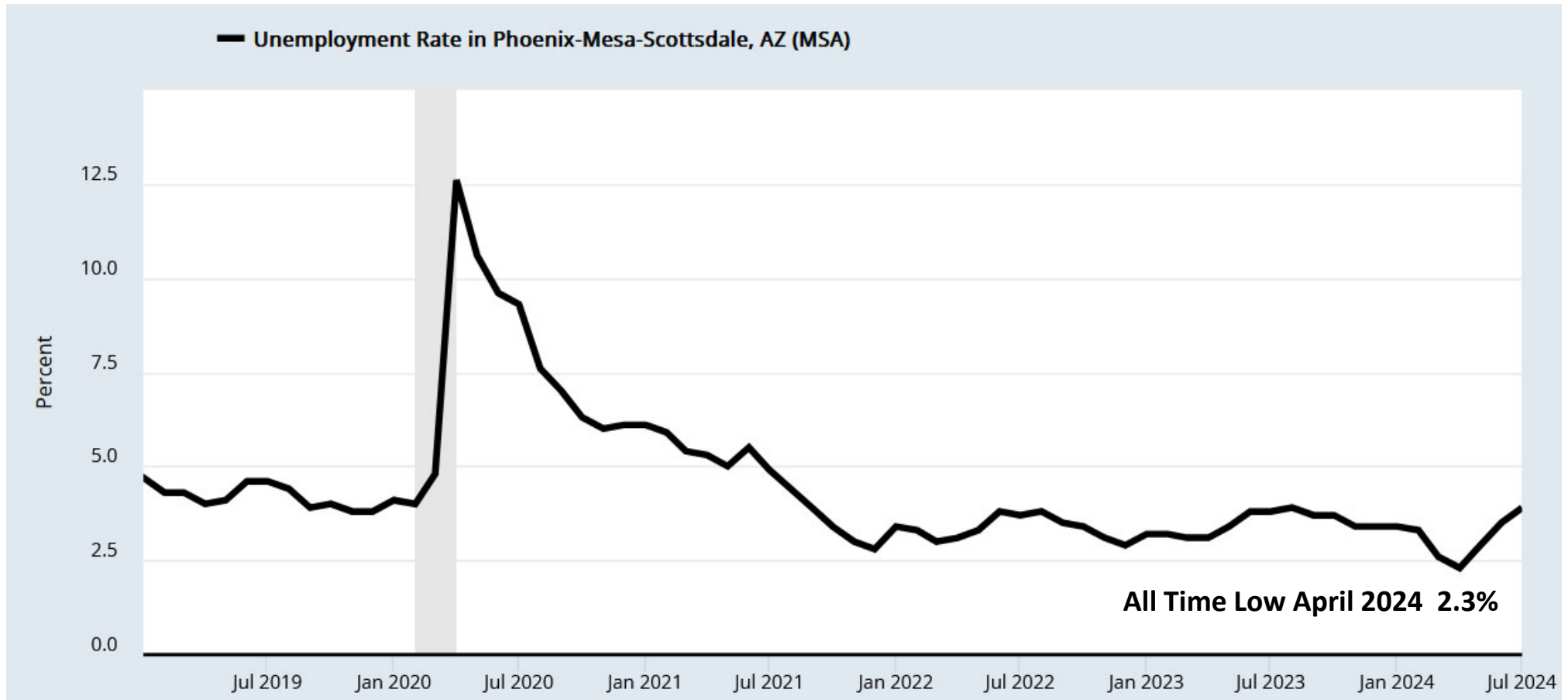
Phoenix 5th Among Metro Labor Markets

(Ranked by % Job Growth Year to Date July)

- 1 Las Vegas (up 3.6%, 39,600 Jobs)
- 2 Sacramento (up 2.6%, 27,600 Jobs)
- 3 Miami (up 2.5%, 70,800 Jobs)
- 4 Houston (up 2.4%, 78,100 Jobs)
- 5 Phoenix (up 2.3%, 55,000 Jobs)

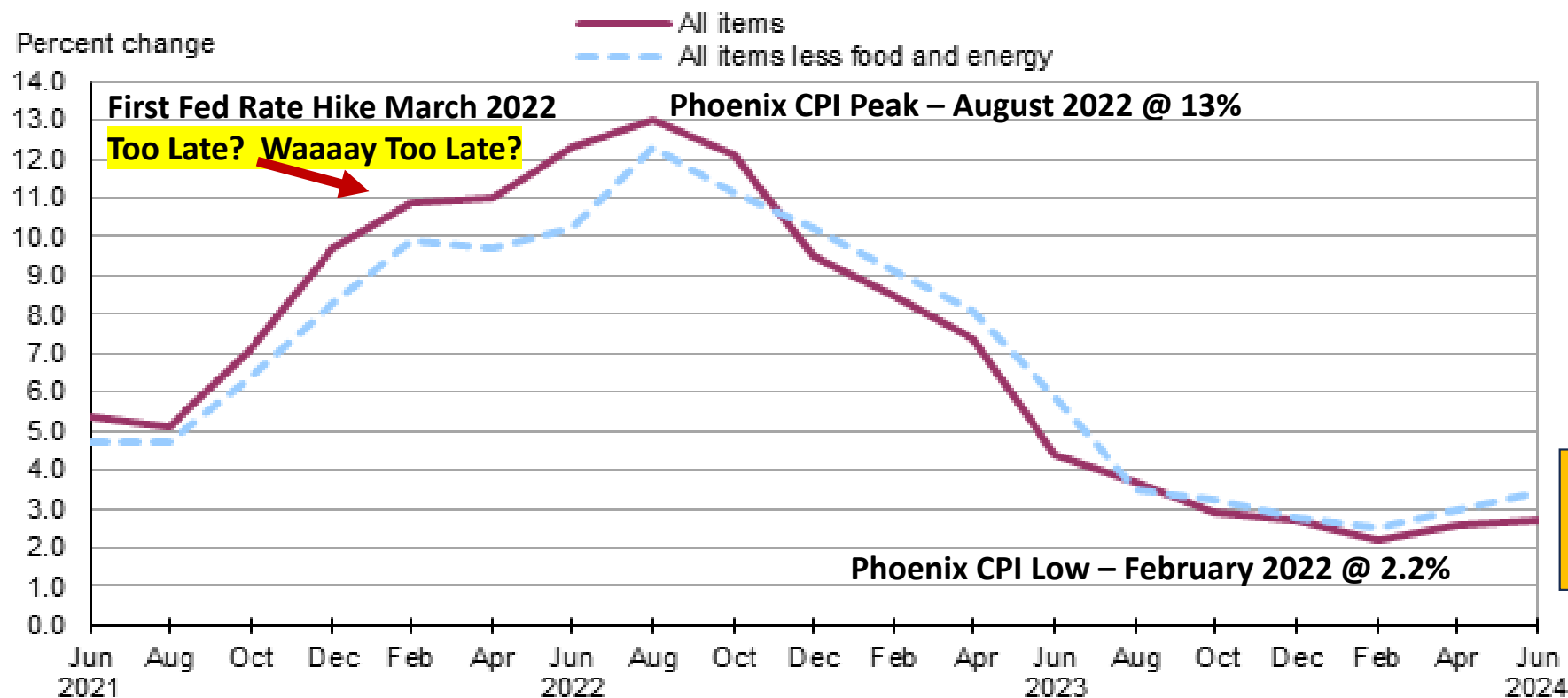
Source: W. P. Carey School of Business and U.S. Bureau of Labor Statistics

Phoenix Unemployment (3.9% July) Below U.S. (4.5%)



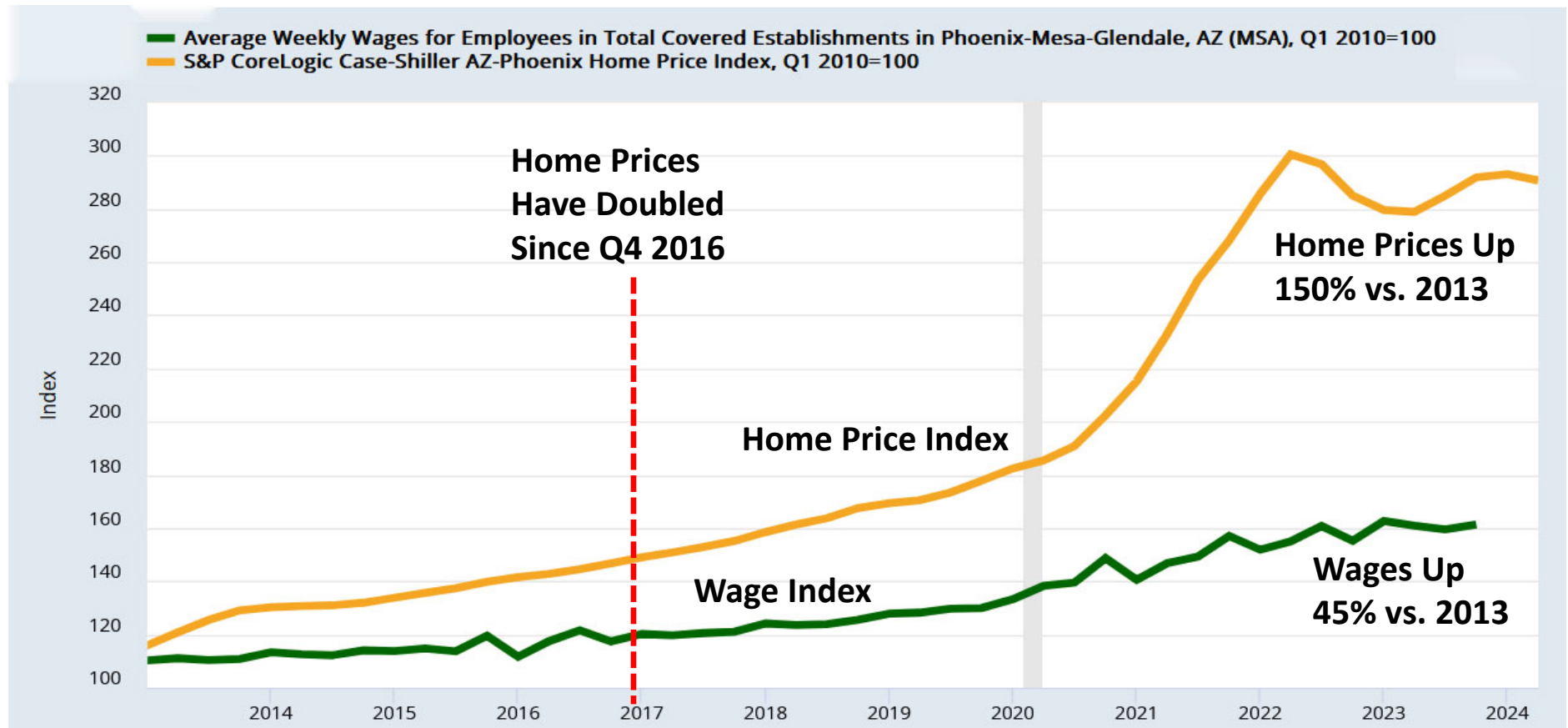
Phoenix 12 Month CPI (2.7% June) Below U.S. (3.0%)

Chart 1. Over-the-year percent change in CPI-U, Phoenix-Mesa-Scottsdale, AZ, June 2021–June 2024



Source: U.S. Bureau of Labor Statistics.

Phoenix Home Prices/Wages Diverged After 2013



Severe Affordable Housing Shortage Across the Country

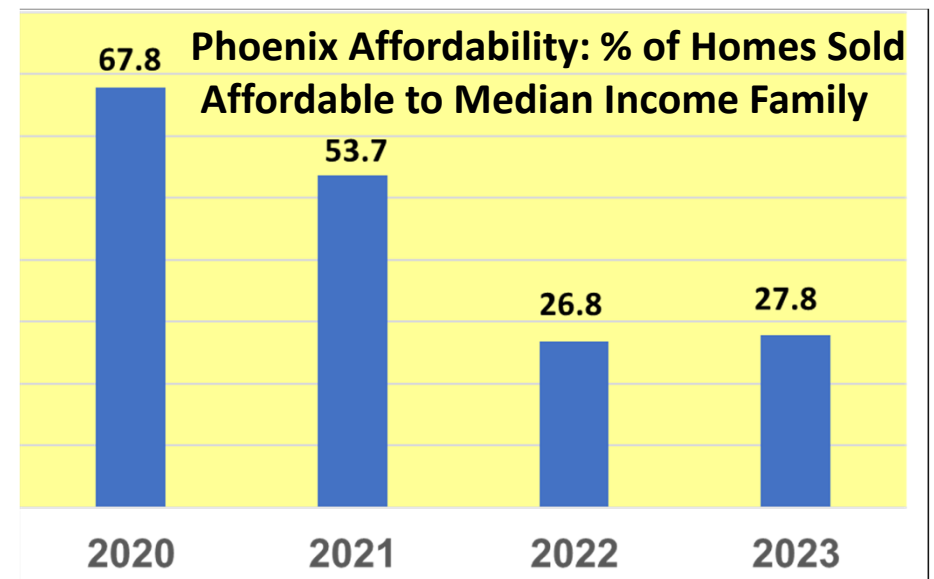
Housing surplus (deficit), % of housing stock



Sources: Census Bureau, Moody's Analytics

Phoenix Metro Area Economic Highlights

- Phoenix MSA number of 2024 jobs created (55,000 YTD) ranks 5th among major metros (ahead of Austin, Atlanta, Denver)
- But Health care and private education make up ½ of all new jobs, while hospitality, information, and manufacturing lose jobs
- The “tech building boom” is not yet a source of new jobs; data centers offer few jobs/sq ft and create huge power demands
- Median income home buyers are priced out of new home housing market



Source: NAHB/Wells Fargo Housing Opportunity Index

Metro Phoenix Economic Outlook

Indicators	2023	2024	2025
Employment Growth	3.0%	2.3%	2.1%
Job Creation	69,800	55,900	51,400
Population Growth	92,100	92,700	92,600
Single Family Permits	24,700	30,200	30,800
Multi-Family Permits	20,900	13,800	13,500

Risks and Opportunities for Phoenix MSA Economy

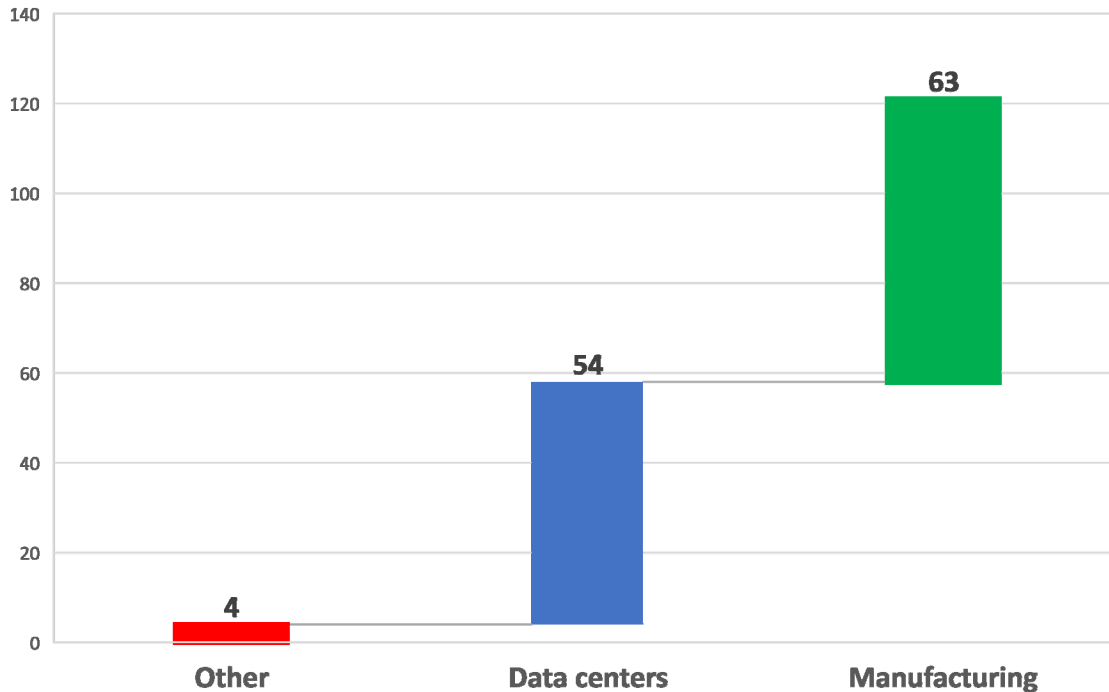
Reasons for Caution

- National business cycle is still the greatest risk to growth
- Domestic migration is slowing in the US and to Arizona
- Phoenix image of housing affordability is under threat
- Chips Act benefits will not be felt until 2 – 3 years or longer

Reasons to be optimistic

- Phoenix is a top 5 labor market
- Housing cheaper than many other metros and California
- Migration slower but Arizona is still a top 10 destination
- Consistently ranked as top area for growth of high tech and regional distribution facilities

SRP's Robust Economic Development Pipeline



Pipeline Potential:

- Jobs: 37,490
- Investment: \$25 billion

Note: Economic development pipeline represents prospective projects in SRP's service territory

Q3 Announced Business Activity

Employer	# of Jobs	City	Service Area	Industry
Big Lots	(483)	Statewide	All	Retail
Prileo Home Care	(510)	Phoenix	APS	Health Care
Northrop Grumman	(543)	Chandler	SRP	Defense
Setna iO	130	Tempe	SRP	Transportation
Home Run Dugout	150	Scottsdale	SRP	Entertainment
KoMiCo	200	Mesa	SRP	Semiconductor

Economic Outlook and SRP

Resilient Local Economy



- The sound local economic outlook will fuel continued vigorous future load growth
- The labor market will likely benefit SRP, but also some residential customers could experience costs
- Affordability will hamper in-migration and slow residential load and account growth
- Lower interest rates would lower borrowing costs and provide relief for all our customer classes

thank you!



Salt River Project Employees' Retirement Plan

Asset Allocation and Investment Policy Statement

Compensation Committee

Chalese Haraldsen | August 20, 2024

Summary of Asset Allocation Recommendation

- Periodic review of Retirement Plan's asset allocation policy conducted by SRP Management and CAPTRUST
- Rise in discount rates support increasing the Plan's Liability Driven Investment (LDI) mandate
- Recommend increase in LDI mandate from 30% to 35%
- Recommend pro-rata decrease in combined equity, hedge funds and real estate allocations from 70% to 65%
- Maintain long-term expected rate of return + reduction in funded status volatility
- Any additional increases in LDI mandate may be beneficial to the Plan in terms of "locking in" funded status gains and reducing downside risk

Retirement Plan Investment Policy Statement

IV. Asset Allocation Policy

CURRENT	
Asset Class	Weight
U.S. Equity	30%
Non-U.S. Equity	20%
Hedge Funds	10%
Fixed Income (LDI)	30%
Real Estate	10%
Total	100%

RECOMMENDED	
Asset Class	Weight
U.S. Equity	28%
Non-U.S. Equity	19%
Hedge Funds	9%
Fixed Income (LDI)	35%
Real Estate	9
Total	100%

Timeline

Timing	Action
August 2024	<ul style="list-style-type: none">• Recommend asset allocation policy and seek approval to reallocate assets to reduce total equity allocation by 5% and increase Liability Driven Investment mandate to 35%• Strategic Reallocation Plan• Notify investment managers of redemptions, as applicable<ul style="list-style-type: none">• Various redemption policies (e.g. Opportunistic Platform / Hedge Funds)
Q1 2025	<ul style="list-style-type: none">• Reallocation to new asset allocation policy complete

Approval and Recommendation

Management requests the Compensation Committee approve the following:

- Approve the recommended Asset Allocation Policy
- Adopt the recommended Investment Policy Statement for the Retirement Plan
- Authorize the Treasurer or his designee to enter into the investment management agreements and other necessary documents, as needed, related to the reallocation of assets
- The Compensation Committee is the named Fiduciary of the SRP Employees' Retirement Plan and is authorized to make this change

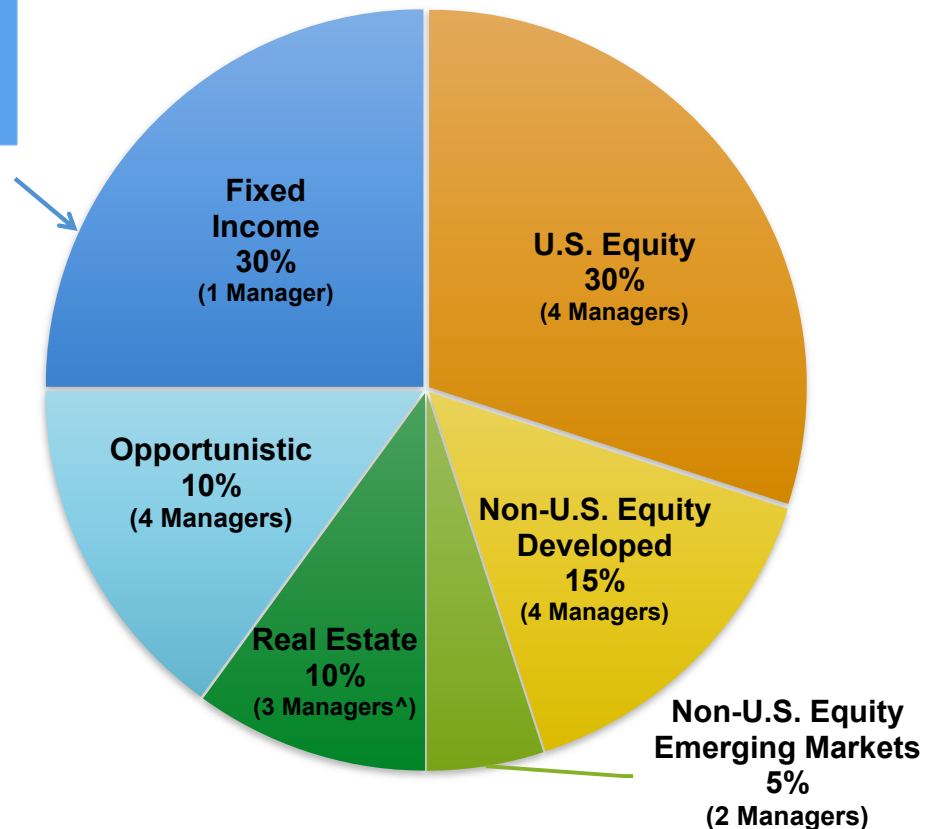
thank you!

APPENDIX

LGIM America

- Hired April 2015
- LDI manager; unique focus is liability hedge
- Seeks to manage portfolio's overall interest rate & credit spread exposure
- Tight tracking error; matches all key rate exposures of liability profile
- Focus on investment grade segment; performance driven by sector & individual issuer selection

Legal & General*
30.0% Target | 28.6% Actual
\$810.1 million
Mgmt. Fee: 18 bps



*As of 06/30/2024

**RESOLUTION OF THE BOARD OF DIRECTORS
OF THE SALT RIVER PROJECT
AGRICULTURAL IMPROVEMENT AND POWER DISTRICT
MODIFYING SRP'S OPEN ACCESS TRANSMISSION TARIFF**

WHEREAS, the Salt River Project Agricultural Improvement and Power District (District) is an agricultural improvement district, a political subdivision of the State of Arizona and a transmission provider;

WHEREAS, in 1996, the Federal Energy Regulatory Commission (FERC) promulgated Order 888 to require transmission providers to offer open and non-discriminatory access to their transmission systems under a FERC standard Open Access Transmission Tariff (OATT);

WHEREAS, the District, as a governmental entity, is not subject to all aspects of FERC jurisdiction, but the District must offer reciprocal service on its transmission system to ensure comparable access to the transmission systems of FERC-jurisdictional utilities;

WHEREAS, between 1998 and 2022, the District revised its OATT after conducting public comment periods, and the District's Board of Directors (Board) approved the OATT revisions through Resolutions finding that the OATT was consistent with or superior to the FERC standard OATT for purposes of ensuring comparable access to the transmission systems of FERC-jurisdictional utilities;

WHEREAS, in 2023, FERC issued Order 2023, reforming the procedures and agreements used to integrate generating facilities into the transmission system;

WHEREAS, in response to Order 2023, and upon Board approval during the November 6, 2023, public open meeting, the District adopted reforms to the OATT, including Attachments O and P, to improve the generator interconnection process and reduce the backlog for projects seeking to connect to the transmission system;

WHEREAS, the current District OATT approved by the Board became effective on November 7, 2023;

WHEREAS, in light of continued industry changes, the District's continued participation in CAISO and WEIM and following a public comment period, the District now proposes modifications and clarifications to its OATT to update terminology related to WEIM, improve SRP's transmission service agreements, remove references to retail competition consistent with changes to state statutes, and remove Generation Integration Transmission Service (GITS) provisions to reflect the District's transition to flow-based transmission scheduling, while continuing to use the FERC standard OATT as a model to ensure comparable access to the transmission systems of FERC-jurisdictional utilities; and

WHEREAS, the District's revised OATT incorporating the revisions referenced in the paragraph immediately above (the Revised OATT) will be posted on the District's Open Access Same-Time Information System (OASIS) upon Board approval;

NOW, THEREFORE BE IT RESOLVED that the District adopts the Revised OATT, to be effective October 1, 2024;

BE IT FURTHER RESOLVED that the Revised OATT supersedes all previous District OATTs;

BE IT FURTHER RESOLVED that the District's Board of Directors hereby determines that the District's OATT, when and as modified as provided for herein, is consistent with or superior to the FERC standard OATT for purposes of ensuring comparable access to the transmission systems of FERC-jurisdictional utilities; and

BE IT FURTHER RESOLVED that the General Manager & Chief Executive Officer and Associate General Manager & Chief Power System Executive are, and each of them hereby is, authorized to take such actions and approve revisions to the OATT that do not materially change its provisions and prepare and implement such business and operating procedures as they may deem necessary or advisable to carry out the intent and purpose of the District's OATT.

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

DRAFT

TABLE OF CONTENTS

I.	COMMON SERVICE PROVISIONS.....	5
1.	Definitions	5
2.	Continuation of Service and Renewal Procedures	22
3.	Ancillary Services.....	23
4.	Open Access Same-Time Information System (OASIS).....	25
5.	Tax-Exempt Financing	26
6.	Reciprocity	27
7.	Billing and Payment	28
8.	Accounting for SRP's Use of the Tariff	29
9.	Tariff and Rate Changes	29
10.	Force Majeure, Emergency Deviations, and Indemnification.....	30
11.	Creditworthiness	30
12.	Dispute Resolution Procedures.....	31
II.	POINT-TO-POINT TRANSMISSION SERVICE	34
13.	Nature of Firm Point-to-Point Transmission Service.....	34
14.	Nature of Non-Firm Point-to-Point Transmission Service	38
15.	Service Availability	41
16.	Transmission Customer Responsibilities.....	42
17.	Procedures for Arranging Firm Point-to-Point Transmission Service.....	43
18.	Procedures for Arranging Non-Firm Point-to-Point Transmission Service	47
19.	Additional Study Procedures for Firm Point-to-Point Transmission Service Requests.....	49
20.	Procedures if SRP is Unable to Complete New Transmission Facilities for Firm Point-to-Point Transmission Service	53
21.	Provisions Relating to Transmission Construction and Services on the Systems of Other Utilities.....	54
22.	Changes in Service Specifications	54
23.	Reassignment or Transfer of Transmission Service	55
24.	Metering and Power Factor Correction at Point(s) of Receipt and Point(s) of Delivery.....	58
25.	Compensation for Transmission Service.....	58
26.	Compensation for New Facilities and Redispatch Costs	58
III.	NETWORK INTEGRATION TRANSMISSION SERVICE	59
27.	Nature of Network Integration Transmission Service.....	59
28.	Initiating Service	61
29.	Network Resources.....	66
30.	Designation of Network Load	69

31.	Additional Study Procedures for Network Integration Transmission Service Requests	70
32.	Load Shedding and Curtailments	73
33.	Rates and Charges	74
34.	Operating Arrangements.....	75
SCHEDULE 1 Scheduling, System Control and Dispatch Service.....		91
SCHEDULE 1-A WEIM Administrative Service		92
SCHEDULE 2 Reactive Supply and Voltage Control from Generation or Other Sources Service		93
SCHEDULE 3 Regulation and Frequency Response Service		94
SCHEDULE 4 Energy Imbalance Service		95
SCHEDULE 4-A Energy Imbalance Service.....		96
SCHEDULE 5 Operating Reserve — Spinning Reserve Service.....		98
SCHEDULE 6 Operating Reserve — Supplemental Reserve Service.....		99
SCHEDULE 7 Long-Term Firm and Short-Term Firm Point-to-Point Transmission Service		100
SCHEDULE 8 Non-Firm Point-to-Point Transmission Service.....		102
SCHEDULE 9 Generator Imbalance Service		104
SCHEDULE 9-A Generator Imbalance Service.....		106
SCHEDULE 10 Real Power Loss Service		108
SCHEDULE 11 [Reserved for Future Use].....		109
SCHEDULE 12 Network Integration Transmission Service		110
ATTACHMENT A Form of Agreement for Short-Term Firm and Non-Firm Point-to-Point Transmission Service.....		111
ATTACHMENT B Form of Agreement for Long-Term Firm Point-to-Point Transmission Service		120
ATTACHMENT C Methodology to Assess Available Transfer Capability.....		125
ATTACHMENT D Index of Point-to-Point Transmission Service Customers		126
ATTACHMENT E Methodology for Completing a System Impact Study.....		127
ATTACHMENT F Form of Service Agreement for Wholesale Network Integration Transmission Service.....		128
ATTACHMENT G Form of Network Operating Agreement.....		133
ATTACHMENT H Annual Transmission Revenue Requirement for Network Integration Transmission Service.....		146
ATTACHMENT I Index of Network Integration Transmission Service Customers.....		147
ATTACHMENT J Procedures for Addressing Parallel Flows		148

ATTACHMENT K Transmission Planning Process.....	149
ATTACHMENT L Creditworthiness Procedures	171
ATTACHMENT M [Reserved for Future Use]	173
ATTACHMENT N [Reserved for Future Use]	180
ATTACHMENT O Generator Interconnection Procedures and Generator Interconnection Agreement	190
ATTACHMENT P [Reserved for Future Use]	408
ATTACHMENT Q [Reserved for Future Use]	409
ATTACHMENT R [Reserved for Future Use]	410
ATTACHMENT S Western Energy Imbalance Market.....	411
ATTACHMENT T Transmission Line Ratings.....	434
ATTACHMENT U Transmission Service Transfer Agreement.....	438

DRAFT

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.~~

DRAFT

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 EIMWEIM

Notwithstanding the limitations in Section 27.6, Network Customers utilizing a NITS Agreement may participate in EIMWEIM ~~to procure energy~~ without a requirement to terminate the designation of any Network Resource that is an SRP EIMWEIM 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 ~~Elm~~WEIM 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

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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

DRAFT

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

1(unity) to 0.985 (leading)

- 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

DRAFT

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.oatiaoasis.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.

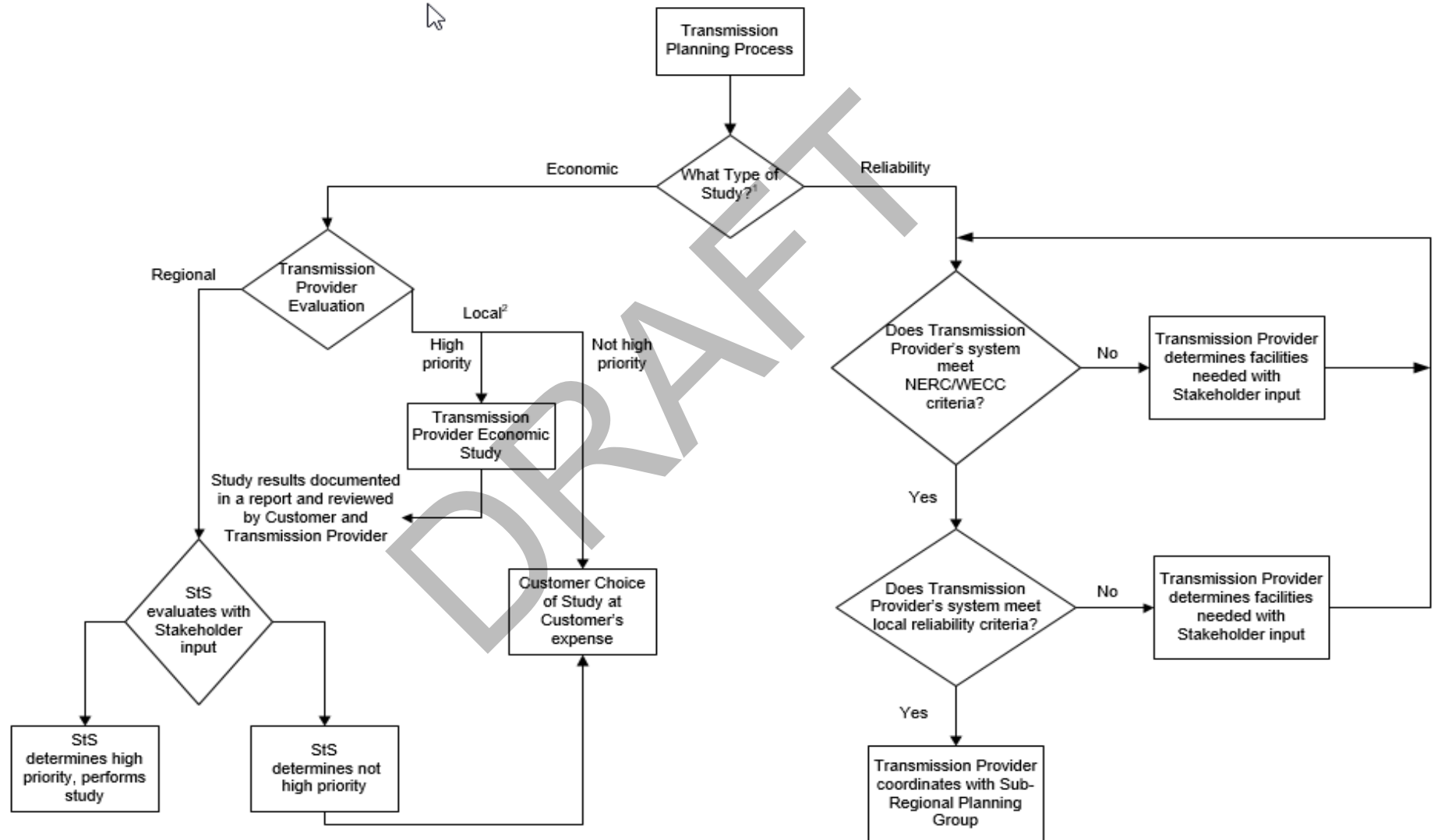
Notwithstanding the foregoing provisions, SRP will not assume cost responsibility for any transmission project if the cost of the project is not reasonably expected to be recoverable in its retail and/or wholesale rates.

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. 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 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 dDefault 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 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 dDefault pursuant to Section 7.3 of this Tariff fails to provide the entirety of the one (1) month's of required financial assurances 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 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)**

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TABLE OF CONTENTS

Section 1	Definitions.	195
Section 2	Scope and Application.	205
2.1	Application of the GIP.	205
2.2	Comparability.	206
2.3	Base Case Data.	206
2.4	No Applicability to Transmission Service.	207
Section 3	Interconnection Requests.	207
3.1	General.	207
3.2	Cluster Request Window.	208
3.3	Valid Interconnection Request.	208
3.4	Customer Engagement Window.	211
3.5	Readiness Milestones.	213
3.6	Utilization of Surplus Interconnection Service.	213
3.7	OASIS Posting.	214
3.8	Affected Systems.	215
3.9	Withdrawal.	215
3.10	Interconnection Study Delays Caused By Transmission Provider.	218
3.11	Additional Requirements for Generation Replacement Requests.	219
Section 4	Payment Reconciliation.	223
Section 5	Queue Position, Cost Sharing, Cost Allocation and Modifications.	223
5.1	Queue Position.	223
5.2	General Study Process.	223
5.3	Cost Allocation for Transmission Provider's Interconnection Facilities, Network Upgrade(s), and Shared Network Upgrade(s) Costs.	224
5.4	Transferability of Queue Position.	225
5.5	Modifications.	225

Section 6 of GIP.	Procedures for Interconnection Requests Submitted Prior to Effective Date 226
6.1	Transition Process for Pending Interconnection Requests.226
6.2	Transitional System Impact Study Process.227
6.3	Transitional Facilities Study Process.....229
6.4	Transitional Interconnection Agreement.....230
6.5	New Transmission Provider.230
Section 7	Cluster System Impact Study.....231
7.1	Scope of Cluster System Impact Study.231
7.2	Execution of Cluster System Impact Study Agreement.232
7.3	Cluster System Impact Study Procedures.....232
7.4	Meeting with Transmission Provider.....233
Section 8	Interconnection Facilities Study.234
8.1	Point of Interconnection Facilities Study.....234
8.2	Network Upgrade(s) Facilities Study.236
8.3	Network Upgrade(s) Facilities Study Re-Study.237
Section 9	Engineering, Procurement & Construction Agreement.237
Section 10	Standard Generator Interconnection Agreement.238
10.1	Tender.238
10.2	Negotiation.....238
10.3	Execution.....239
10.4	Commencement of Interconnection Activities.....239
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).239
11.1	Schedule.....239
11.2	Construction Sequencing.239
Section 12	Miscellaneous.240

12.1	Confidentiality.	240
12.2	Delegation of Responsibility.	243
12.3	Obligation for Study Costs.	243
12.4	Third Parties Conducting Studies.	245
12.5	Disputes.	246
12.6	Local Furnishing Bonds and other Tax-Exempt Bonds.	247

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

APPENDIX 3.4 TO GIP TRANSITIONAL SYSTEM IMPACT STUDY AGREEMENT

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)

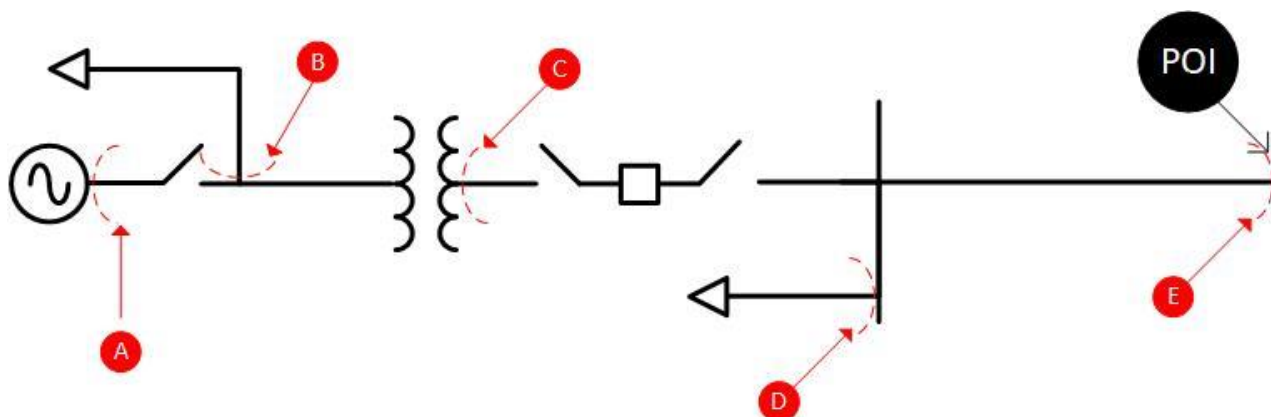


Figure 1 – Generalized Diagram of MW data needed

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.

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**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 CEI 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: _____

Name: _____

Date: _____

Name: _____

Date: _____

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EXHIBIT B

Representatives

Name: _____

Date: _____

Name: _____

Date: _____

Name: _____

Date: _____

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Name: _____

Date: _____

Name: _____

Date: _____

**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: _____

DRAFT

**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: _____

DRAFT

**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

TABLE OF CONTENTS

ARTICLE 1. DEFINITIONS.	334
ARTICLE 2. EFFECTIVE DATE, TERM, AND TERMINATION.	343
2.1. EFFECTIVE DATE.	343
2.2. TERM OF AGREEMENT.	343
2.3. TERMINATION PROCEDURES.	343
2.4. TERMINATION COSTS.	343
2.5. DISCONNECTION.	344
2.6. SURVIVAL.	344
ARTICLE 3. REGULATORY FILINGS.	344
ARTICLE 4. SCOPE OF SERVICE.	345
4.1. PROVISION OF SERVICE.	345
4.2. PERFORMANCE STANDARDS.	345
4.3. NO TRANSMISSION SERVICE.	345
4.4. INTERCONNECTION CUSTOMER PROVIDED SERVICES.	345
ARTICLE 5. INTERCONNECTION FACILITIES ENGINEERING, PROCUREMENT, AND CONSTRUCTION.	345
5.1. OPTIONS.	345
5.2. GENERAL CONDITIONS APPLICABLE TO OPTION TO BUILD.	346
5.3. ADDITIONAL CONTRACTS.	348
5.4. POWER SYSTEM STABILIZERS.	348
5.5. EQUIPMENT PROCUREMENT.	348
5.6. CONSTRUCTION COMMENCEMENT.	348
5.7. INTERCONNECTION CUSTOMER'S INTERCONNECTION FACILITIES.	349
5.8. TRANSMISSION PROVIDER'S INTERCONNECTION FACILITIES CONSTRUCTION.	350
5.9. WORK PROGRESS.	350

5.10.	INFORMATION EXCHANGE.	350
5.11.	LIMITED OPERATION.	350
5.12.	LAND OF OTHER PROPERTY OWNERS.	351
5.13.	ACCESS RIGHTS.	351
5.14.	PERMITS.	352
5.15.	EARLY CONSTRUCTION OF BASE CASE FACILITIES.	352
5.16.	SUSPENSION.	352
ARTICLE 6.	TAXES.	353
6.1.	INTERCONNECTION CUSTOMER PAYMENTS NOT TAXABLE.	353
6.2.	INDEMNIFICATION FOR THE COST CONSEQUENCES OF CURRENT TAX LIABILITY IMPOSED UPON THE TRANSMISSION PROVIDER.	353
6.3.	TAXES OTHER THAN INCOME TAXES.	353
6.4.	PROPERTY AND OTHER TAXES.	353
6.5.	TAX STATUS.	353
ARTICLE 7.	MODIFICATION OF FACILITIES.	354
7.1.	GENERAL.	354
7.2.	STANDARDS.	354
7.3.	MODIFICATION COSTS.	354
ARTICLE 8.	TESTING AND INSPECTION.	355
8.1.	TESTING AND MODIFICATIONS PRIOR TO IN-SERVICE DATE.	355
8.2.	TESTING AND MODIFICATIONS POST COMMERCIAL OPERATION DATE.	355
8.3.	RIGHT TO OBSERVE TESTING.	355
8.4.	RIGHT TO INSPECT.	355
ARTICLE 9.	METERING.	356
9.1.	GENERAL.	356
9.2.	CHECK METERS.	356
9.3.	STANDARDS.	356

9.4. TESTING OF METERING EQUIPMENT.	356
9.5. METERING DATA.	357
ARTICLE 10. COMMUNICATIONS.	357
10.1. INTERCONNECTION CUSTOMER OBLIGATIONS.	357
10.2. REMOTE TERMINAL UNIT.	357
10.3. NO ANNEXATION.	357
10.4. PROVISION OF DATA FROM A VARIABLE ENERGY RESOURCE.	358
ARTICLE 11. OPERATIONS.	358
11.1. GENERAL.	358
11.2. BALANCING AUTHORITY AREA NOTIFICATION.	358
11.3. TRANSMISSION PROVIDER OBLIGATIONS.	358
11.4. INTERCONNECTION CUSTOMER OBLIGATIONS.	358
11.5. START-UP AND SYNCHRONIZATION.	359
11.6. REACTIVE POWER AND PRIMARY FREQUENCY RESPONSE.	359
11.7. OUTAGES AND INTERRUPTIONS.	363
11.8. SWITCHING AND TAGGING RULES.	366
11.9. USE OF INTERCONNECTION FACILITIES BY THIRD PARTIES.	366
11.10. DISTURBANCE ANALYSIS DATA EXCHANGE.	367
ARTICLE 12. MAINTENANCE.	367
12.1. TRANSMISSION PROVIDER OBLIGATIONS.	367
12.2. INTERCONNECTION CUSTOMER OBLIGATIONS.	367
12.3. COORDINATION.	367
12.4. SECONDARY SYSTEMS.	367
12.5. OPERATING AND MAINTENANCE EXPENSES.	367
ARTICLE 13. PERFORMANCE OBLIGATION.	369
13.1. INTERCONNECTION CUSTOMER'S INTERCONNECTION FACILITIES.	369

13.2.	TRANSMISSION PROVIDER'S INTERCONNECTION FACILITIES.	369
13.3.	NETWORK UPGRADE(S) AND DISTRIBUTION UPGRADE(S).	369
13.4.	SHARED NETWORK UPGRADE(S).	369
13.5.	PROVISION OF SECURITY.....	369
13.6.	INTERCONNECTION CUSTOMER COMPENSATION.....	370
13.7.	FACILITY CONNECTION REQUIREMENTS.	370
13.8.	DATA MODELING REQUIREMENTS FOR INVERTER-BASED RESOURCES.....	370
ARTICLE 14.	INVOICE.	370
14.1.	GENERAL.	370
14.2.	FINAL INVOICE.	371
14.3.	PAYMENT.....	371
14.4.	DISPUTES.	371
ARTICLE 15.	EMERGENCIES.....	371
15.1.	OBLIGATIONS.....	371
15.2.	NOTICE.....	371
15.3.	IMMEDIATE ACTION.....	372
15.4.	TRANSMISSION PROVIDER AUTHORITY.	372
15.5.	INTERCONNECTION CUSTOMER AUTHORITY.....	373
15.6.	LIMITED LIABILITY.....	373
ARTICLE 16.	REGULATORY REQUIREMENTS AND GOVERNING LAW.....	373
16.1.	REGULATORY REQUIREMENTS.	373
16.2.	GOVERNING LAW.....	374
ARTICLE 17.	NOTICES.....	374
17.1.	GENERAL.	374
17.2.	BILLINGS AND PAYMENTS.	374
17.3.	ALTERNATIVE FORMS OF NOTICE.....	374

17.4. OPERATIONS AND MAINTENANCE NOTICE	374
ARTICLE 18. FORCE MAJEURE	375
18.1. FORCE MAJEURE.....	375
ARTICLE 19. DEFAULT.	375
19.1. DEFAULT.....	375
ARTICLE 20. INDEMNITY, CONSEQUENTIAL DAMAGES AND INSURANCE.	376
20.1. INDEMNITY.....	376
20.2. CONSEQUENTIAL DAMAGES.....	377
20.3. INSURANCE	377
ARTICLE 21. ASSIGNMENT.	379
ARTICLE 22. SEVERABILITY.....	379
ARTICLE 23. COMPARABILITY.	379
ARTICLE 24. CONFIDENTIALITY.....	379
24.1. TERM.....	380
24.2. SCOPE.....	380
24.3. RELEASE OF CONFIDENTIAL INFORMATION	380
24.4. RIGHTS.....	380
24.5. NO WARRANTIES.....	381
24.6. STANDARD OF CARE.....	381
24.7. ORDER OF DISCLOSURE.	381
24.8. TERMINATION OF AGREEMENT.	381
24.9. REMEDIES.....	381
24.10. DISCLOSURE TO FERC, ITS STAFF OR A STATE.....	382
24.11. DISCLOSURE.....	382
ARTICLE 25. ENVIRONMENTAL RELEASES.....	382
ARTICLE 26. INFORMATION REQUIREMENTS.	383

26.1. INFORMATION ACQUISITION.	383
26.2. INFORMATION SUBMISSION BY OPERATING AGENT <u>TRANSMISSION PROVIDER</u>	383
26.3. UPDATED INFORMATION SUBMISSION BY INTERCONNECTION CUSTOMER.	383
26.4. INFORMATION SUPPLEMENTATION.....	383
ARTICLE 27. INFORMATION ACCESS AND AUDIT RIGHTS.....	384
27.1. INFORMATION ACCESS.....	384
27.2. REPORTING OF NON-FORCE MAJEURE EVENTS.....	384
27.3. AUDIT RIGHTS.....	384
27.4. AUDIT RIGHTS PERIODS.	385
27.5. AUDIT RESULTS.....	385
ARTICLE 28. SUBCONTRACTORS.....	385
28.1. GENERAL.....	385
28.2. RESPONSIBILITY OF PRINCIPAL.....	385
28.3. NO LIMITATION BY INSURANCE.....	386
ARTICLE 29. DISPUTES.....	386
29.1. SUBMISSION.....	386
29.2. EXTERNAL ARBITRATION PROCEDURES.....	386
29.3. ARBITRATION DECISIONS.....	386
29.4. COSTS.....	387
ARTICLE 30. REPRESENTATIONS, WARRANTIES, AND COVENANTS.	387
30.1. GENERAL.....	387
ARTICLE 31. JOINT OPERATING COMMITTEE.	388
31.1. JOINT OPERATING COMMITTEE.....	388
ARTICLE 32. MISCELLANEOUS.	389
32.1. BINDING EFFECT.....	389

32.2.	CONFLICTS.....	389
32.3.	RULES OF INTERPRETATION.....	389
32.4.	ENTIRE AGREEMENT.....	389
32.5.	NO THIRD PARTY BENEFICIARIES.	389
32.6.	WAIVER.....	390
32.7.	HEADINGS.....	390
32.8.	AMENDMENT.	390
32.9.	MODIFICATION BY THE PARTIES.....	390
32.10.	RESERVATION OF RIGHTS.	390
32.11.	NO PARTNERSHIP.....	390
32.12.	ELECTRONIC SIGNATURES.....	390
APPENDIX A INTERCONNECTION FACILITIES, NETWORK UPGRADE(S) AND DISTRIBUTION UPGRADE(S)		
APPENDIX B MILESTONES		
APPENDIX C INTERCONNECTION DETAILS		
APPENDIX D SECURITY ARRANGEMENTS DETAILS		
APPENDIX E COMMERCIAL OPERATION DATE		
APPENDIX F ADDRESSES FOR DELIVERY OF NOTICES AND BILLINGS		
APPENDIX G INTERCONNECTION REQUIREMENTS FOR A WIND GENERATING PLANT		
APPENDIX H-1 COMMON FACILITIES		
APPENDIX H-2 COMMON FACILITIES USE FEE		
APPENDIX I COST RESPONSIBILITY RATIO (CRR)		
APPENDIX J THIRD PARTY INTERCONNECTION REIMBURSEMENT METHODOLOGY		
APPENDIX K MITIGATION FACILITY FEE		

STANDARD GENERATOR INTERCONNECTION AGREEMENT

This Generator Interconnection Agreement (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, 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: _____

DRAFT

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

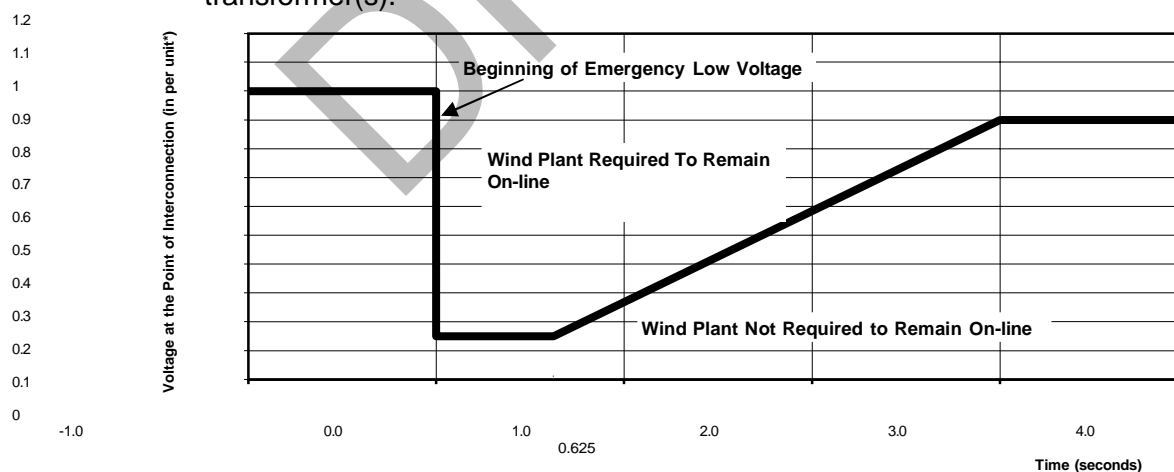
i. Low Voltage Ride-Through (LVRT) Capability

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

DRAFT

ATTACHMENT P
[Reserved for Future Use]

~~Small Generator Interconnection Agreement and~~

~~Small Generator Interconnection Procedures~~

DRAFT

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.~~

DRAFT

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>

DRAFT

Mr. Pratt,

As SRP elected officials, we have been made aware that the attached letter has been posted to the internal employee portal which is accessible by all SRP employees. We ask you to remove the posting as it may influence the outcome of the election. Why weren't communications concerning the election released publicly through the official SRP media/community relations department? If we do not receive a prompt response to our request, we will share your letter and our response publicly. We hate to send this right before the holiday weekend, but this needs to be addressed immediately.

John Felty,

Could you please share this communication with all of the SRP elected officials so that they are aware of this situation as we were unaware until yesterday.

Sincerely,

Randy Miller
SRP Board of Directors, District 8

Mark Mulligan
SRP Council, District 8

Krista O'Brien
SRP Board of Directors, At-Large Seat 12

Nick Brown
SRP Board of Directors, At-Large Seat 13

Pratt: Standing up for SRP, speaking the truth
Published 3/26/2024

Team,

GM & CEO Jim Pratt

SRP is currently holding its regularly scheduled election for our publicly elected Board and Council. Terms are staggered, with half of the seats for each body up for election every other year. Election Day is April 2, and early voting is already underway.

This year's election has generated more interest from candidates and the public than previous years, and we support a robust and competitive process. Unfortunately, we are also seeing an increase in misinformation and attempts to mislead our customers and the public about SRP.

Specifically, some are attacking or sharing inaccurate information about what we're doing to meet unprecedented growth in our service territory and the goals and strategies we have developed to meet the challenges ahead. While these types of tactics may be common in politics these days, I won't allow special interest groups to confuse or mislead Arizonans about the industry-leading work our team members are doing to serve our customers and to build a strong future for this state.

While we will continue attempts to publicly address these inaccurate claims in the media and elsewhere, I also want to set the record straight with you. We should all take pride in the significant accomplishments we've made together, recognize how we've delivered for our customers, and understand the importance of our commitment to transforming the grid and protecting our watershed.

- **Truth:** Between FY23 and FY24, SRP has more than doubled the amount of solar energy in our power generation mix (from 3.6% in FY23 to 8% in FY24). Further, we expect this generation technology will make up nearly 30% of our generation mix by the end of the decade.
- **Truth:** Today, 35% of our energy mix comes from carbon-free resources and we have more than 1,500 megawatts (MW) of solar (enough to power 337,500 average-size homes) and 1,100 MW of grid-scale batteries (enough to power 247,500 average-size homes) under development.
- **Truth:** We are transforming our electric grid while maintaining our industry-leading reliability in one of the fastest-growing regions in the country. We will at least double the number of our generation resources in the next 10 years while also retiring more than 2,600 MW of coal.
- **Truth:** While other U.S. utilities are reducing or delaying sustainability goals, our Board recently approved even more ambitious goals for SRP. By 2035, we will reduce our carbon intensity by 82% compared to 2005 levels (up from our original goal of 65%); support the adoption of 1 million electric vehicles in our service territory and manage 90% of EV charging; deliver over 4 million megawatt-hours of aggregate energy savings through our energy efficiency programs; achieve a 30% reduction in generation-related water use intensity compared to 2005; and support efforts to thin 800,000 acres of overgrown Arizona forests to protect our watershed. Significantly, we will achieve net-zero carbon emissions by 2050.

- **Truth:** Our customers believe in SRP and consistently rank us as the No. 1 utility. For 22 consecutive years (and 24 times overall), we have topped the J.D. Power rankings for [customer satisfaction](#). For the past two years, our [commercial customers](#) have rated us No. 1 in the West. Customers also rated us the top utility in the nation in a recent [customer experience benchmark report](#).
- **Truth:** SRP's rates are among the lowest rates in the Southwest. In fact, our rates are nearly 30% lower on average than APS. At the same time, we consistently rank among the top 5 utilities in the nation for reliability.
- **Truth:** The election is part of the very public and transparent governance process that has enabled SRP to serve our customers and help the Valley grow and thrive for more than a century. We have a unique governance structure that continues to deliver enormous benefit to our shareholders, our customers and the entire state.

At its heart, SRP is about people — our team members, our shareholders and our customers. Our history has proven time and again that we are at our best when we work together, and I believe anything is possible when we do.

No matter the outcome of this election, we're committed to always being truthful and transparent. We will never waiver in delivering on our mission.

Thank you for making SRP a great organization. I am grateful for the opportunity to work alongside you.

Jim Pratt
GM & CEO

SRP Board member responses to Jim Pratt's internal web portal posting to SRP employees. 03/29/2024

Pratt: Standing up for SRP, speaking the truth

Published 3/26/2024

Team,

GM & CEO Jim Pratt

SRP is currently holding its regularly scheduled election for our publicly elected Board and Council. Terms are staggered, with half of the seats for each body up for election every other year. Election Day is April 2, and early voting is already underway.

This year's election has generated more interest from candidates and the public than previous years, and we support a robust and competitive process. Unfortunately, we are also seeing an increase in misinformation and attempts to mislead our customers and the public about SRP.

Specifically, some are attacking or sharing inaccurate information about what we're doing to meet unprecedented growth in our service territory and the goals and strategies we have developed to meet the challenges ahead.

What specifically is the inaccurate information attacking SRP's attempts to "meet unprecedented growth"? According to the FY23 Progress Update 2035 Sustainability report that was recently published. SRP has attained 55% of their Carbon Emissions Generation reductions while not reducing the carbon mass emissions significantly. The ecological systems do not respond to carbon intensity reductions, only mass reductions matter. Using carbon intensity to establish sustainability goals is in itself misleading.

While these types of tactics may be common in politics these days, I won't allow special interest groups to confuse or mislead Arizonans about the industry-leading work our team members are doing to serve our customers and to build a strong future for this state.

This sure smells like SRP Management is directing it's employees who are Arizonan's to vote for the incumbent team SRP Management wants to be "governed" by.

While we will continue attempts to publicly address these inaccurate claims in the media and elsewhere, I also want to set the record straight with you. We should all take pride in the significant accomplishments we've made together, recognize how we've delivered for our customers, and understand the importance of our commitment to transforming the grid and protecting our watershed.

- **Truth:** Between FY23 and FY24, SRP has more than doubled the amount of solar energy in our power generation mix (from 3.6% in FY23 to 8% in FY24). Further, we expect this generation technology will make up nearly 30% of our generation mix by the end of the decade.

A few points:

- 1) *3.4% solar net generation in MWh's for all of FY23 cannot be disputed—that is what SRP disclosed in their doc to the bond investors.*
- 2) *8%? How as board members have we never been provided this information? How are members of the public supposed to know this? SRP should transparently share the full details of this on SRP's external website of how this 8% is computed. Doing so will be so much better than this [content free page](#). Be sure and list details like SRP does for the [bond document page A-3](#): listing the solar generating site name, amount of FY24 generation in MWh's and % contribution to total SRP net generation:*

TABLE 3 — Fiscal Year 2023 District Power Sources

	Capability (MW)⁽¹⁾	% of Total	Net Production	
			Amount (MWh)⁽²⁾	% of Total
District Generation:				
Renewables – Bonnybrooke Solar.....	52	0.57%	129,941	0.33%
Renewables – NTUA Kayenta Solar 1+2	60 ⁽⁶⁾	0.66%	59,684	0.15%
Renewables – Binal Central Energy Center Battery.....	10 ⁽⁶⁾	0.11%	12,740	0.04%

- 3) *How can you have FY24 data when FY24 is not over for 5 more weeks?*

- **Truth:** Today, 35% of our energy mix comes from carbon-free resources and we have more than 1,500 megawatts (MW) of solar (enough to power 337,500

average-size homes) and 1,100 MW of grid-scale batteries (enough to power 247,500 average-size homes) under development.

Again, simply publish this if it is true, with all the source and MWh contribution detail. Be sure and identify if the “generation” is not generation, but instead avoidance due to SRP Energy Efficiency programs—which is important but requires separation.

- **Truth:** We are transforming our electric grid while maintaining our industry-leading reliability in one of the fastest-growing regions in the country. We will at least double the number of our generation resources in the next 10 years while also retiring more than 2,600 MW of coal.

And yet remain the only major power utility in Arizona that will not announce a closure date for its last coal generation facility.

“But SRP and rural electric cooperatives serving the state have not set timelines for retiring their last plants.”

<https://www.azcentral.com/story/money/business/energy/2023/02/19/when-will-arizona-utilities-no-longer-rely-on-coal/69904569007/>

- **Truth:** While other U.S. utilities are reducing or delaying sustainability goals, our Board recently approved even more ambitious goals for SRP. By 2035, we will reduce our carbon intensity by 82% compared to 2005 levels (up from our original goal of 65%); support the adoption of 1 million electric vehicles in our service territory and manage 90% of EV charging; deliver over 4 million megawatt-hours of aggregate energy savings through our energy efficiency programs; achieve a 30% reduction in generation-related water use intensity compared to 2005; and support efforts to thin 800,000 acres of overgrown Arizona forests to protect our watershed. Significantly, we will achieve net-zero carbon emissions by 2050.

Why does SRP refuse to set a 2035 carbon mass goal?

And is SRP’s 82% carbon intensity goal which allows increased carbon mass ejections really leading when other western utilities are much more aggressive:

- Xcel Energy has committed to an 80% carbon reduction by 2030
- PNM, the largest electricity provider in New Mexico, has committed to 80% emissions reductions by 2030

- PacifiCorp, which serves customers in six western states, projects it will reduce emissions 78% by 2030

- **Truth:** Our customers believe in SRP and consistently rank us as the No. 1 utility. For 22 consecutive years (and 24 times overall), we have topped the J.D. Power rankings for [customer satisfaction](#). For the past two years, our [commercial customers](#) have rated us No. 1 in the West. Customers also rated us the top utility in the nation in a recent [customer experience benchmark report](#).

Please share SRP's FY22, FY23, and FY24 YTD total disbursements to J.D. Power which might then be compared to other western electric utilities.

- **Truth:** SRP's rates are among the lowest rates in the Southwest. In fact, our rates are nearly 30% lower on average than APS. At the same time, we consistently rank among the top 5 utilities in the nation for reliability.

APS, is a very low bar to compare with SRP being a public utility that does not have to pay taxes (pays only ~4% in lieu of taxes), and does not answer to shareholders with quarterly profits and is expected to pay much less. SRP's reliability is great, commensurate with a geographic region not facing the challenges of other utilities: many more trees, more frequent and higher wind speeds, tornadoes, floods, hurricanes, earthquakes, etc.

- **Truth:** The election is part of the very public and transparent governance process that has enabled SRP to serve our customers and help the Valley grow and thrive for more than a century. We have a unique governance structure that continues to deliver enormous benefit to our shareholders, our customers and the entire state.

It is unique alright--the voting is far from democratic, basically a poster child for voter suppression.

At its heart, SRP is about people — our team members, our shareholders and our customers. Our history has proven time and again that we are at our best when we work together, and I believe anything is possible when we do.

No matter the outcome of this election, we're committed to always being truthful and transparent.

Yes, a whole lot more transparency is needed.

We will never waiver in delivering on our mission.

Thank you for making SRP a great organization. I am grateful for the opportunity to work alongside you.

Jim Pratt
GM & CEO

Sincerely,

Randy Miller
SRP Board of Directors, District 8

Mark Mulligan
SRP Council, District 8

Krista O'Brien
SRP Board of Directors, At-Large Seat 12

Nick Brown
SRP Board of Directors, At-Large Seat 13

Kathy Mohr-Almeida
SRP Board of Directors, At-Large Seat 14

Randy,

Let me start with ensuring you that the letter to employees is in no way meant to influence any election issues. This was not an election related communication. Our leadership team and I have gone to great lengths to ensure that has not happened. I have had many employee discussions lately and based on the questions received in those various interactions, I felt it was important to ensure our employees know what the facts are and recognize they are doing an amazing job. Our employees make SRP one of the very best utilities in the entire country and it is for the benefit of the customers.

I can also assure you that in every single discussion I have with employees where they ask about the election process, I send them to Secretary's Office site for information and I always tell them to vote exactly how they want. I never exert any influence on them. I can also convey to you that I have never heard so many employees asking questions about our election process. The level of engagement is off the charts compared to any previous process. I speculate that most of this is due to all the media coverage. I think it is a good thing for them to become more involved. They are not just employees, but many are also customers that are eligible to vote.

I fully support your right to share your opinions but there is nothing I stated that is not factually accurate.

Thank You

Jim Pratt
General Manager & CEO
SRP | Mail Station PAB236
P.O. Box 52025, Phoenix, AZ 85072-2025

Confidentiality Notice

This message and any accompanying attachments may contain confidential and/or privileged information. The message and attachments should be read and retained by intended recipients only. If you received this message in error, please notify the sender immediately and delete the message and any attachments.



Board Report – Current Events

Board Meeting

September 9, 2024

Current Events

Jim Pratt



Power System Update – Current Events

John Coggins

Operational Updates – August 2024

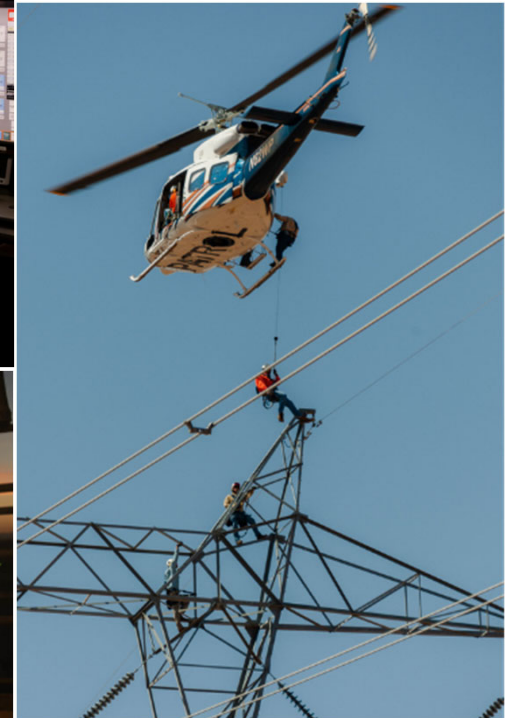
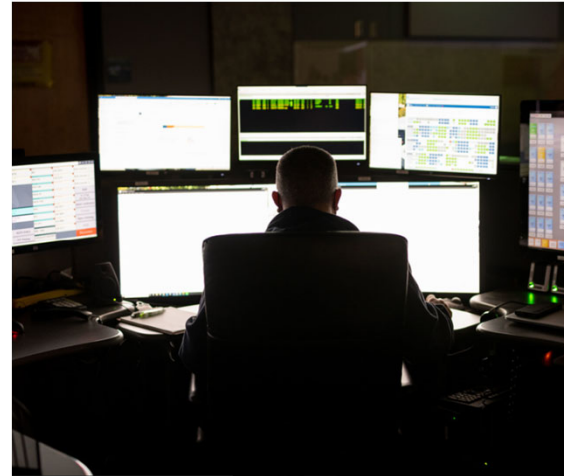
- August Customer peak demand: 8219 MW (New all-time high!)
 - Occurred on August 4th with 116-degree temperature
 - 278 MW higher than forecasted
- Record Heat!
 - Summer 2024 is officially the hottest summer on record
 - 24-hour average temperature over three months was 98.9 degrees, setting a new all-time record
 - 54 days at 110 degrees or higher though August, 52 days in 2023
 - 100 consecutive days at 100+ degrees, new record
- Assets continue to perform extremely well

YTD Reliability Metrics

Exceptional Performance

- ❖ Valley plant Run Reliability
Actual 98.4% vs Target 96.3%
- ❖ CGS EFOR
Actual 0.04% vs Target 4.5%
- ❖ SAIDI
Projection 51.7 min vs Target 73.1 min
- ❖ System health
Actual 97% vs Target 90%
- ❖ Preventative maintenance compliance
Actual 97% vs Target 95%
- ❖ FOHMY
Projection 1.22 outages vs Target 2.10 outages
- ❖ SAIFI
Projection 0.84 events vs Target 0.82 events

09/09/2024 Board Meeting, J. Coggins



8/22/24 Storm Response

- 22.5K customers interrupted
- 4 poles down
- 2 transformers
- 22kV tower



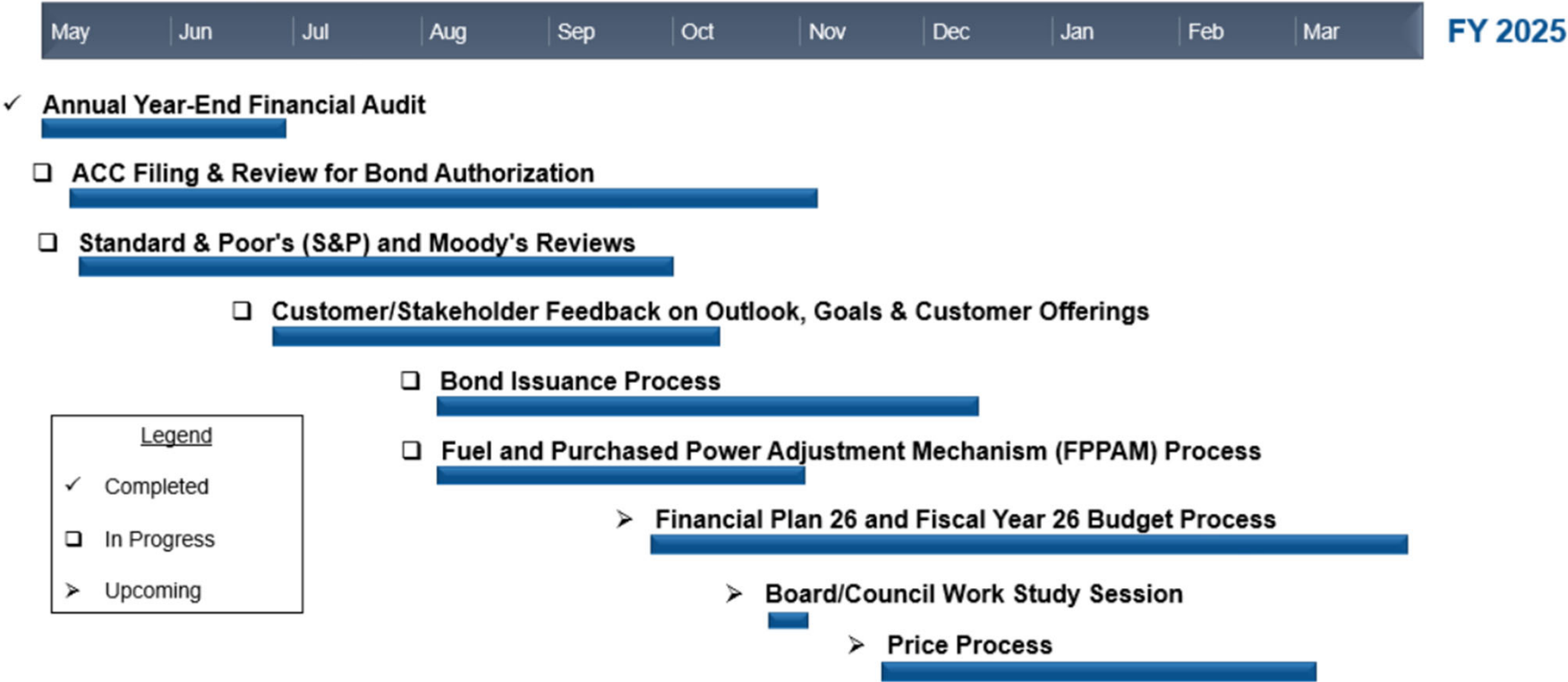


Financial Update

Brian Koch

FY25 Financial Calendar – Key Dates

Final timing subject to financial performance, market conditions, & third-party preferences



Financial Summary Through July 2024

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

Combined Net Revenue

July	Year-To-Date
\$260M \$63M	\$476M \$131M

Debt Service Coverage Ratio & Debt

Year-To-Date DSCR	Year-End* Debt Ratio
7.90 1.47	46.8% 0.6

Liquidity (General Fund)

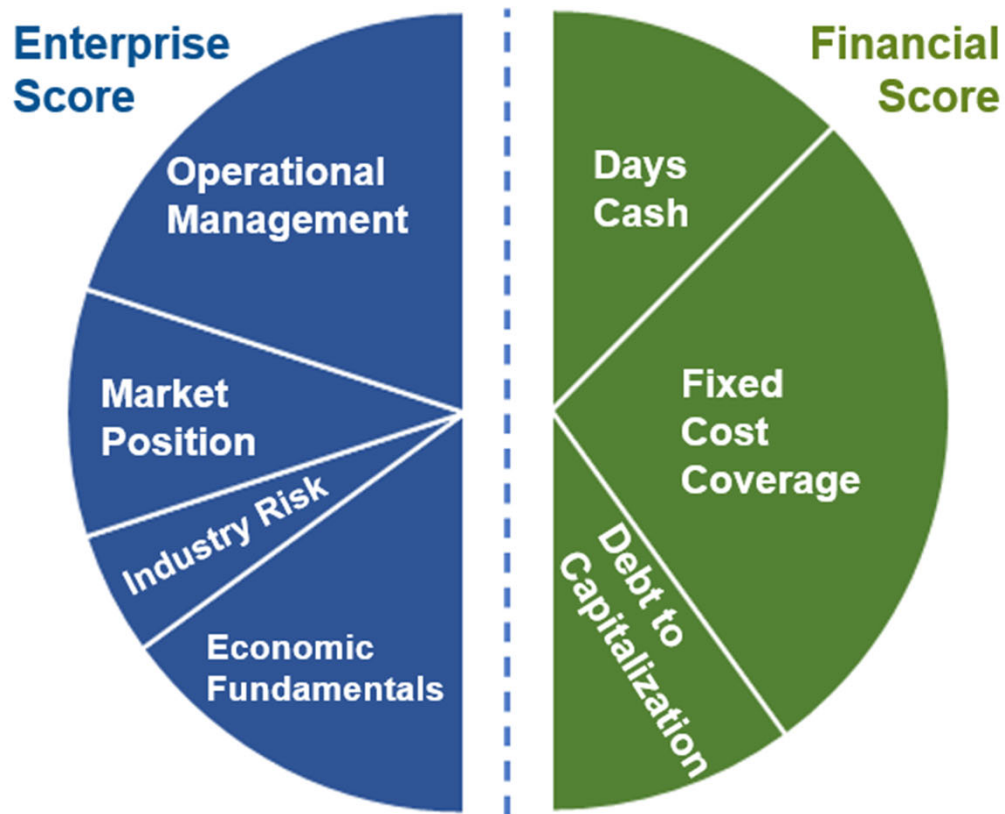
July	Year-End Forecast
<i>45 Days Cash</i> \$666M \$223M	<i>41 Days Cash</i> \$600M \$0M

FPPAM Collection Balance

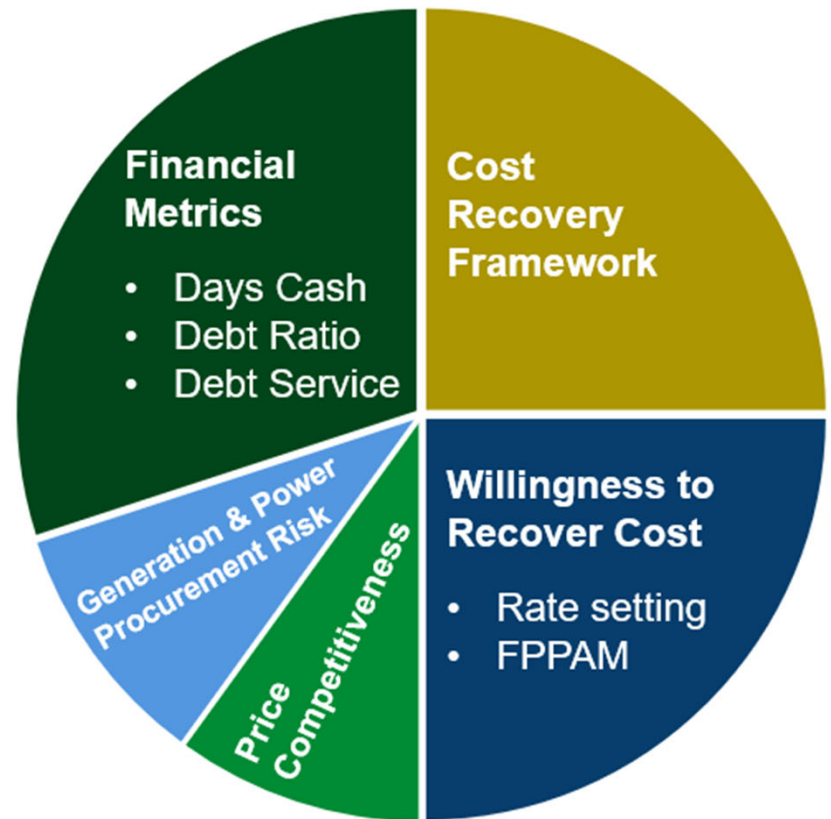
July	Year-End Forecast
(\$306M) \$53M	(\$300M) \$53M

What Rating Agencies Value

S&P Criteria



Moody's Scorecard





Water Stewardship

Leslie Meyers

Colorado River 2025 Shortage Sharing Implementation

Planning for Shortage

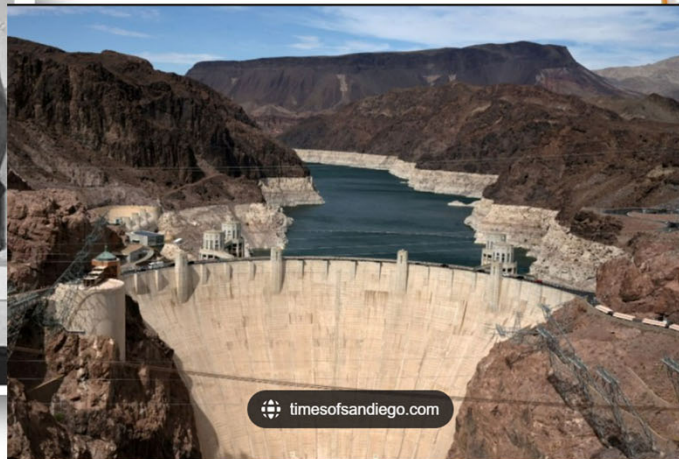
- 2007 Interim Guidelines
- 2019 Drought Contingency Plan

COLORADO RIVER 2007 INTERIM GUIDELINES AND DROUGHT CONTINGENCY PLANS

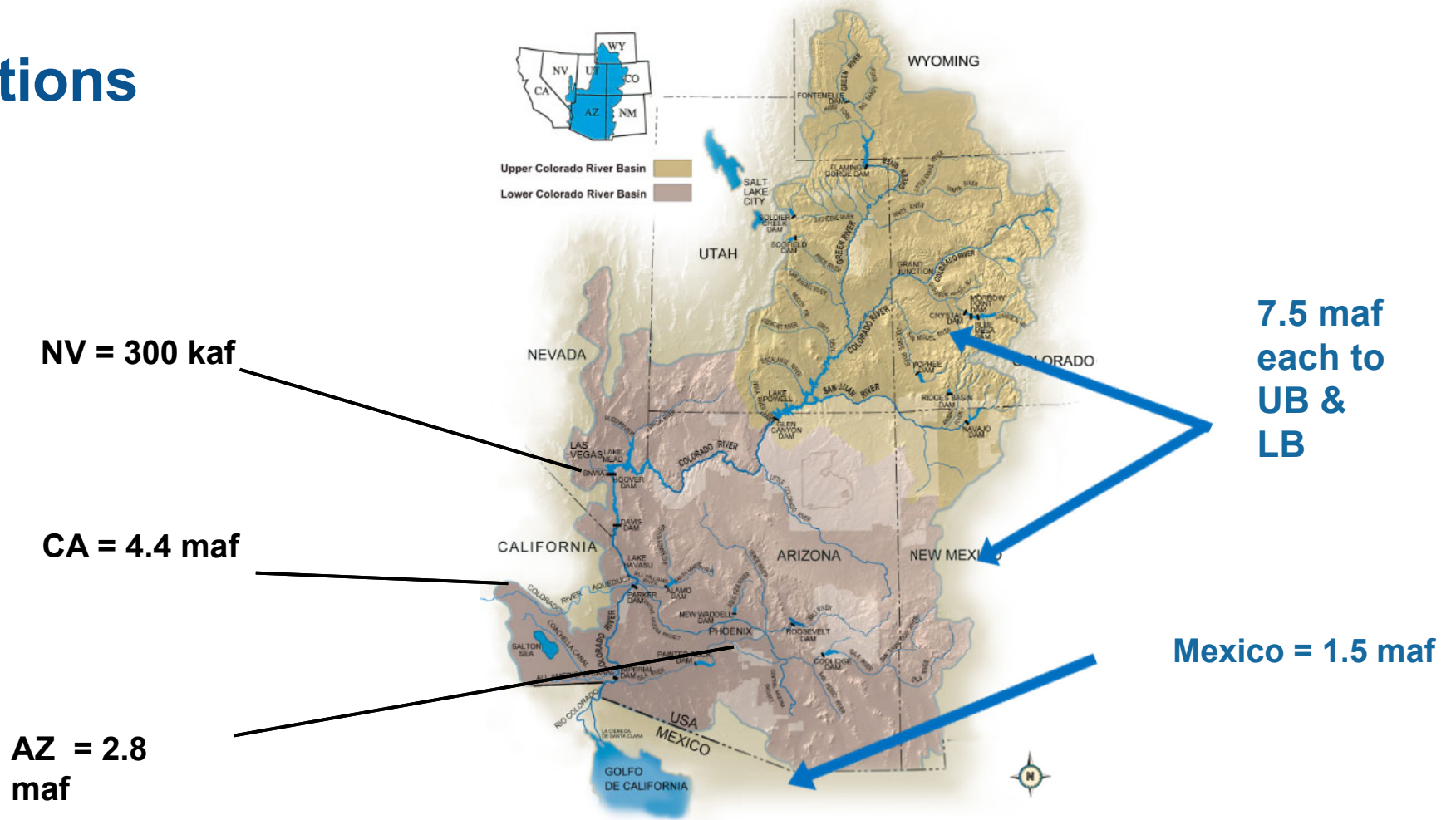
In 2005, after six years of severe drought in the Colorado River Basin, federal officials and representatives of the seven basin states — California, Arizona, Nevada, New Mexico, Colorado, Utah and Wyoming — began building a framework to better respond to drought conditions and coordinate the operations of the basin's two key reservoirs, [Lake Powell](#) and [Lake Mead](#).



The resulting Interim Guidelines for Lower Basin Shortages and the Coordinated Operations for Lake Powell and Lake Mead (Interim Guidelines) identified the conditions for shortage determinations and details of coordinated reservoir operations. The 2007 Interim Guidelines remain in effect through Dec. 31, 2025.



Allocations

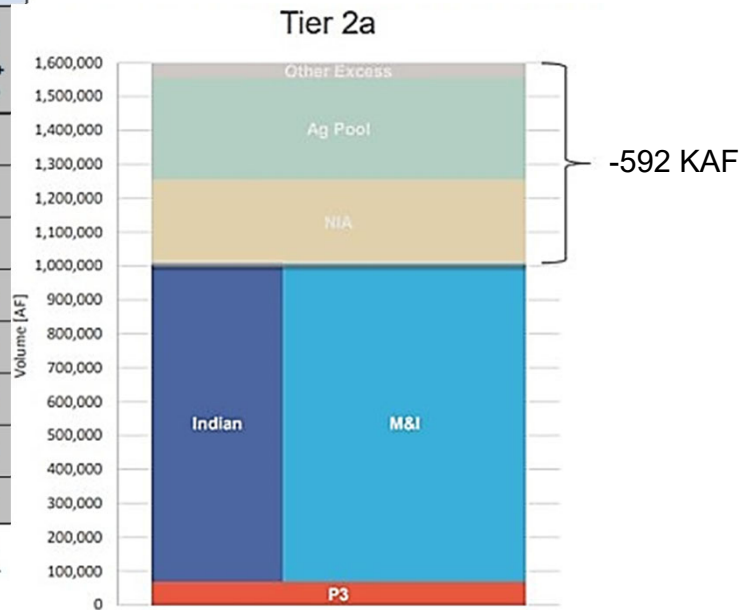


Lower Basin Drought Planning

2007 Interim Guidelines, Minute 323, Lower Basin Drought Contingency Plan,
and Binational Water Scarcity Contingency Plan
Total Volumes (kaf)

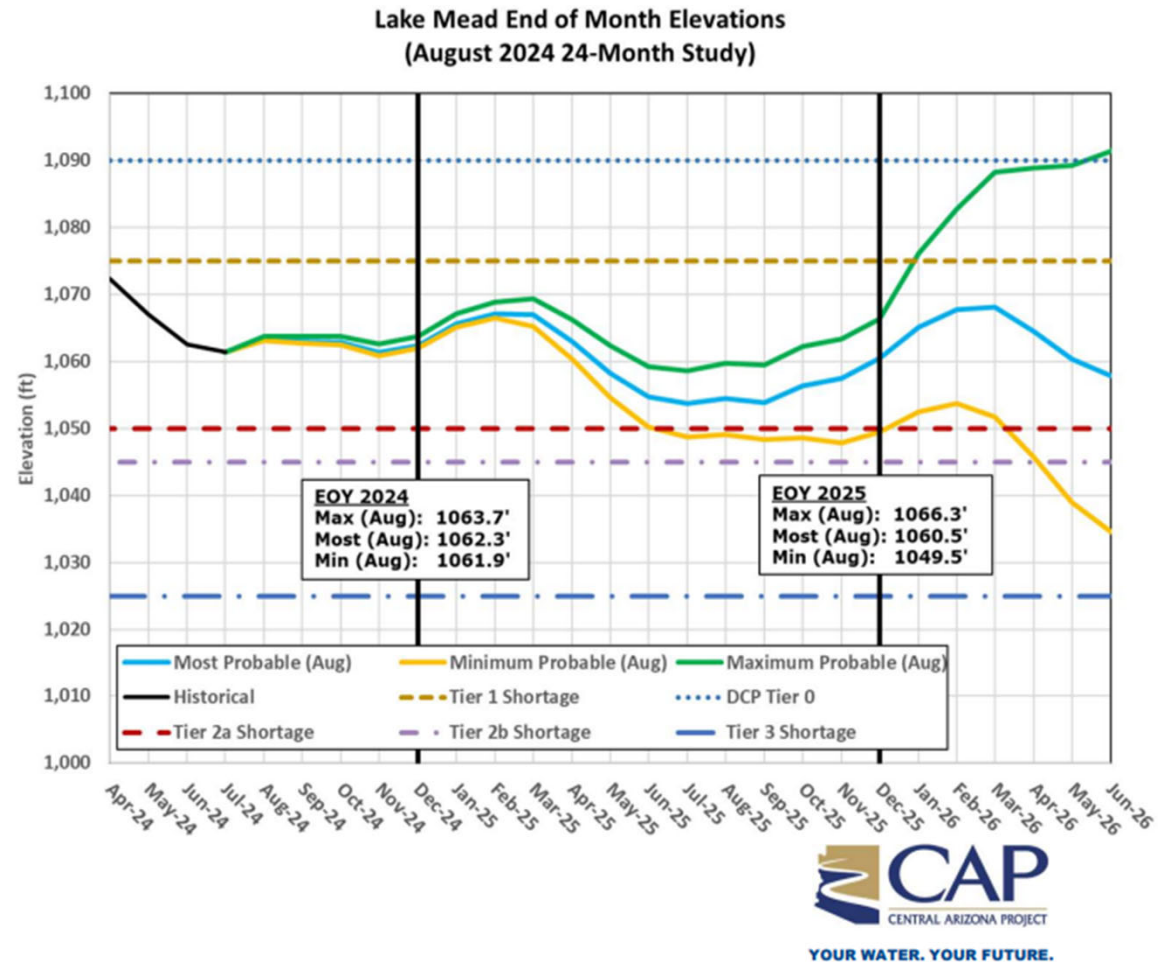
Lake Mead Elevation (feet msl)	2007 Interim Guidelines Shortages		Minute 323 Delivery Reductions	Total Combined Reductions	DCP Water Savings Contributions			Binational Water Scarcity Contingency Plan Savings	Combined Volumes by Country US: (2007 Interim Guidelines Shortages + DCP Contributions) Mexico: (Minute 323 Delivery Reductions + Binational Water Scarcity Contingency Plan Savings)					Total Combined Volumes
	AZ	NV			AZ	NV	CA		AZ Total	NV Total	CA Total	Lower Basin States Total	Mexico Total	Lower Basin States + Mexico
	0	0	0	0	192	8	0	41	192	8	0	200	41	241
	320	13	50	383	192	8	0	30	512	21	0	533	80	613
	400	17	70	487	192	8	0	34	592	25	0	617	104	721
	400	17	70	487	240	10	200	76	640	27	200	867	146	1,013
	400	17	70	487	240	10	250	84	640	27	250	917	154	1,071
	400	17	70	487	240	10	300	92	640	27	300	967	162	1,129
	400	17	70	487	240	10	350	101	640	27	350	1,017	171	1,188
	480	20	125	625	240	10	350	150	720	30	350	1,100	275	1,375

The Secretary of the Interior will take affirmative actions to implement programs designed to create or conserve 100,000 acre-ft per annum or more of Colorado River System water to contribute to conservation of water supplies in Lake Mead and other Colorado River reservoirs in the lower basin. All actions taken by the United States shall be subject to applicable law, including availability of appropriations.



Lake Mead August 2024 24-Month Study

- Lake Mead is operating in Tier 1 shortage condition in 2024
- Lake Mead will be in Tier 1 shortage condition in 2025

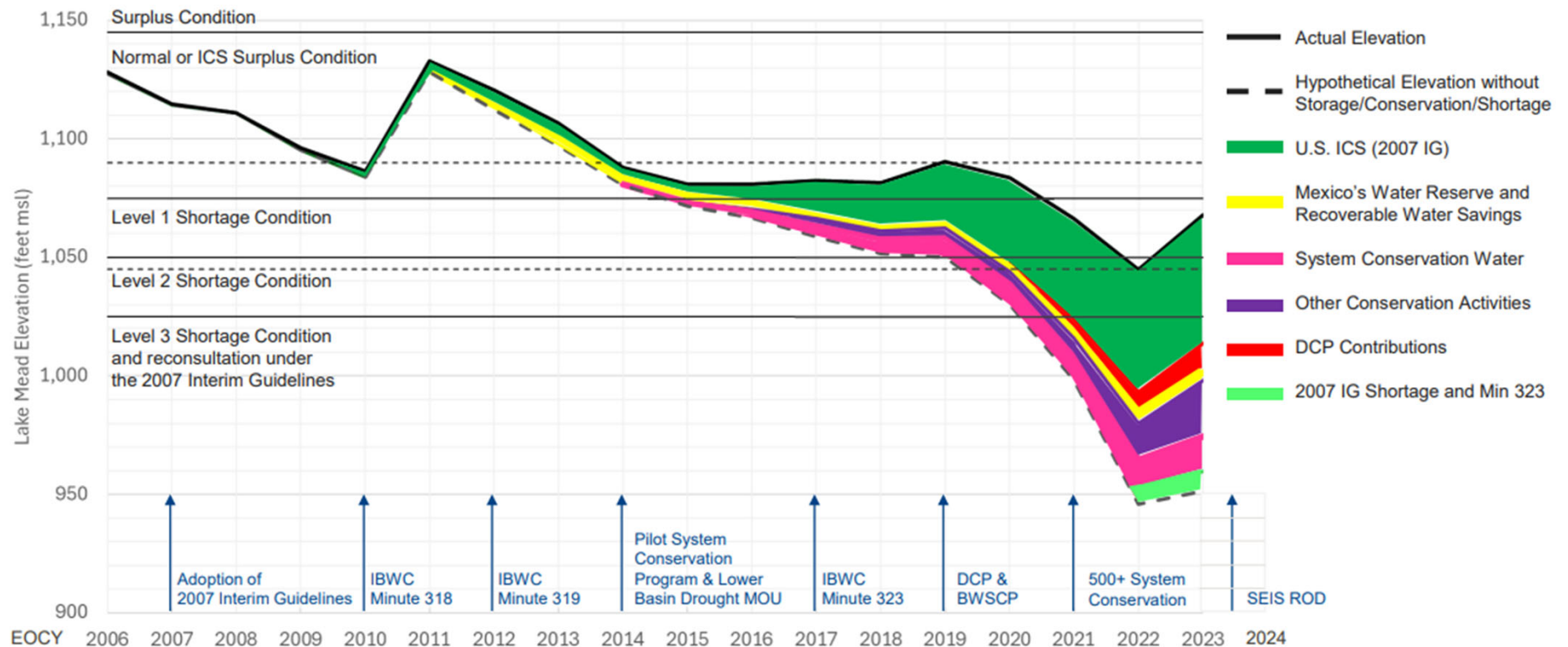


Colorado River – Lower Basin 2025 Shortage Sharing Implementation

2007 Interim Guidelines, Minute 323, Lower Basin Drought Contingency Plan,
and Binational Water Scarcity Contingency Plan
Total Volumes (kaf)

Lake Mead Elevation (feet msl)	2007 Interim Guidelines Shortages		Minute 323 Delivery Reductions	Total Combined Reductions	DCP Water Savings Contributions			Binational Water Scarcity Contingency Plan Savings	Combined Volumes by Country US: (2007 Interim Guidelines Shortages + DCP Contributions) Mexico: (Minute 323 Delivery Reductions + Binational Water Scarcity Contingency Plan Savings)					Total Combined Volumes
	AZ	NV	Mexico	Lower Basin States + Mexico	AZ	NV	CA	Mexico	AZ Total	NV Total	CA Total	Lower Basin States Total	Mexico Total	Lower Basin States + Mexico
1,090 - 1,075	0	0	0	0	192	8	0	41	192	8	0	200	41	241
Tier 1 → 2025 Reductions+ Contributions → 1,075 - 1050	320	13	50	383	192	8	0	30	512	21	0	533	80	613
Tier 2a → 1,050 - 1,045	400	17	70	487	192	8	0	34	592	25	0	617	104	721
Tier 2b → 1,045 - 1,040	400	17	70	487	240	10	200	76	640	27	200	867	146	1,013
Tier 2c → 1,040 - 1,035	400	17	70	487	240	10	250	84	640	27	250	917	154	1,071
Tier 2d → 1,035 - 1,030	400	17	70	487	240	10	300	92	640	27	300	967	162	1,129
Tier 2e → 1,030 - 1,025	400	17	70	487	240	10	350	101	640	27	350	1,017	171	1,188
Tier 3 → <1,025	480	20	125	625	240	10	350	150	720	30	350	1,100	275	1,375

Lake Mead Storage and Conservation



System Conservation Commitments^{1,2}

State	Conservation Activity (ac-ft)	2023	2024	2025	2026	Total
AZ	Fort McDowell Yavapai Nation	13,933	13,933	13,933		41,799
	Gila River Indian Community	91,319	125,000	125,000		341,319
	Hopi Tribe	2,679	3,059	3,059		8,797
	San Carlos Apache Tribe	23,804				23,804
	CAP Subcontractors	141,400	129,400	128,800	2,400	402,000
	ADWR-CAP ICS Preservation Program	41,776				41,776
	Mohave Valley Irrigation and Drainage District	12,819	13,441	13,441		39,701
	Yuma Mesa Irrigation and Drainage District	21,556	21,795	21,795		65,146
	Cibola Valley Irrigation and Drainage District	1,682	2,328	2,328		6,338
	Cathcart Farms	57	61	61		179
	GM Gabrych Family	3,240	3,240	3,240		9,720
CA	Coachella Valley Water District	35,000	36,063	45,000	10,000	126,063
	Quechan Tribe-MET	13,000	13,000	13,000		39,000
	Palo Verde Irrigation District	71,507	117,021	117,021	79,830	385,379
	Imperial Irrigation District	106,111				106,111
	MET EC- ICS	450,000				450,000
	MET - Conservation left in Lake Mead (non-ICS)	25,066	41,928			66,994
NV	SNWA Tributary Conservation ICS	36,075	36,000	30,000	30,000	132,075
	SNWA Conservation left in Lake Mead (non-ICS)	88,156	90,000	40,000	35,000	253,156
	Annual Total	1,179,180	646,269	556,678	157,230	2,539,357
	Cumulative Total	1,179,180	1,825,449	2,382,127	2,539,357	

¹ Volumes reflect executed agreements and/or current operational projections and are subject to change. Additional conservation activities are being considered. After new agreements are finalized and executed, these additional activities will be included in Reclamation's operational modeling.

² New agreements under the LC Conservation Program are being developed.

IID Backs Conservation Plan, Strengthening Colorado River and Salton Sea

The Imperial Irrigation District Board of Directors have unanimously approved the 2023 System Conservation Implementation Agreement with the U.S. Bureau of Reclamation, signaling IID's commitment to the sustainability of the Colorado River and Salton Sea.

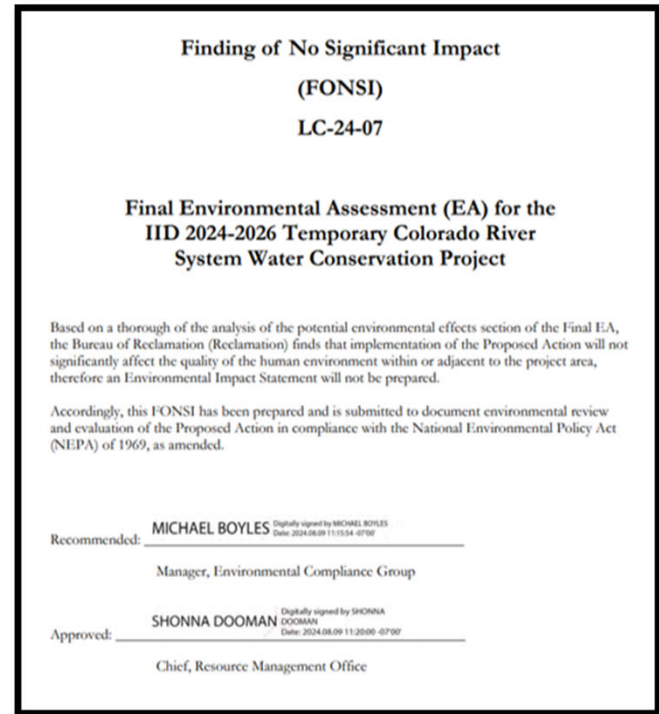
Post Date: 12/01/2023



Imperial Irrigation District (IID) Finalizes Conservation Deal

Specifics:

- 700 KAF of System Conservation Water left in Mead through 2026
- \$250M of federal funding (IRA monies) for Salton Sea restoration, support for summer conservation
- IID to conserve, reducing Colorado River diversions. Potential Programs include:
 - On Farm Efficiency Conservations Programs
 - Deficit Irrigation Program
 - Farm Unit Fallowing Program



Contemplated:

San Diego/MWD/IID
water swap in 2024



thank you!



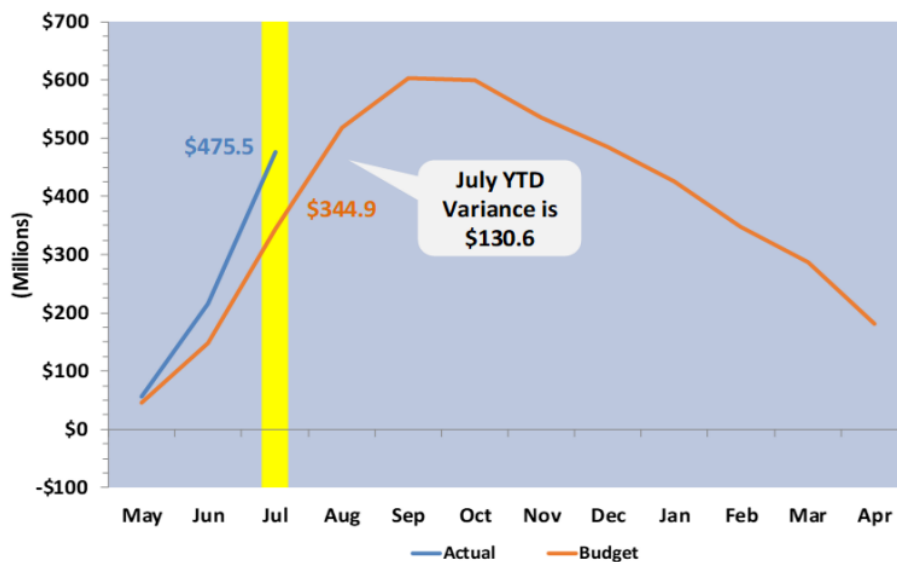
Operating Environment – July 2024

\$ Millions	Actual	Budget	Variance	% Budget
Elec Customer Accounts - July 2024	1,163,681	1,158,500	5,181	100%
Elec Customer Accounts - April 2024	1,158,913			
Elec Customer Accounts - July 2023	1,138,603			
System Sales GWH	4,233.4	3,939.4	294.0	107%
Wholesale Sales GWH	916.6	496.5	420.1	185%
Total A.F. Water Delivered	97,088	106,000	(8,912)	92%

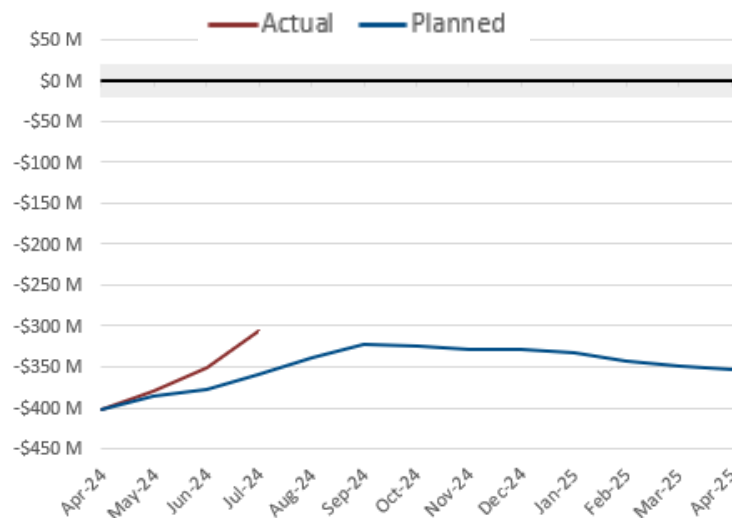
Financial Summary – July 2024

\$ Millions	Actual	Budget	Variance	% Budget
Combined Revenues	\$ 632.6	\$ 567.1	\$ 65.5	112%
Combined Expenses	\$ 372.9	\$ 370.7	\$ 2.2	101%
Comb Net Revs (Loss)	\$ 259.7	\$ 196.4	\$ 63.3	132%
Funds Available	\$ 300.4	\$ 234.8	\$ 65.6	128%
Capital Expenditures	\$ 108.8	\$ 133.0	\$ (24.2)	82%

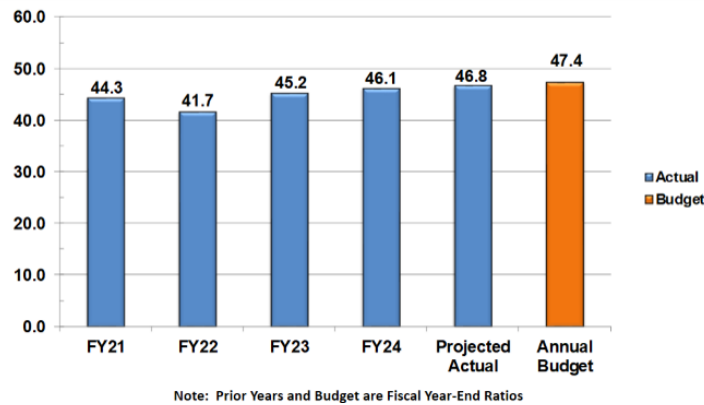
Combined Net Revenues



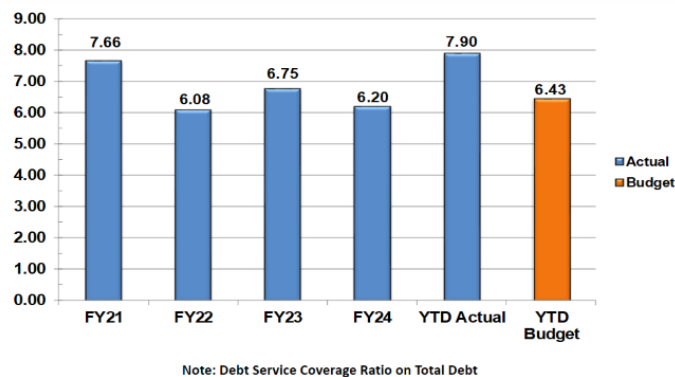
Fuel & Purchased Power Adjustment Mechanism (FPPAM) – July 2024



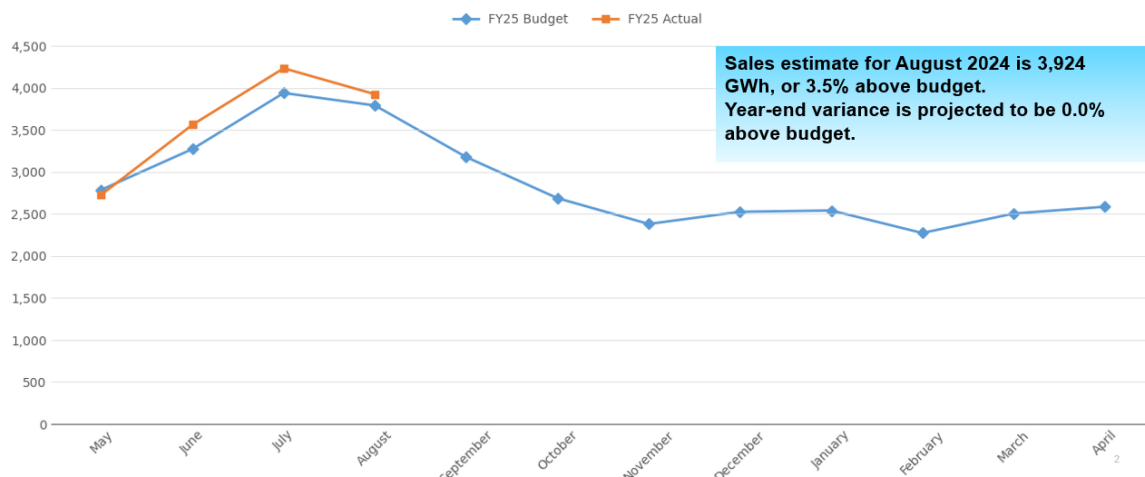
Debt Ratio – Year End Actuals and Projection



Debt Service Coverage Ratio – YTD Through July



Preliminary Retail Sales (GWh) Estimate Through August 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)

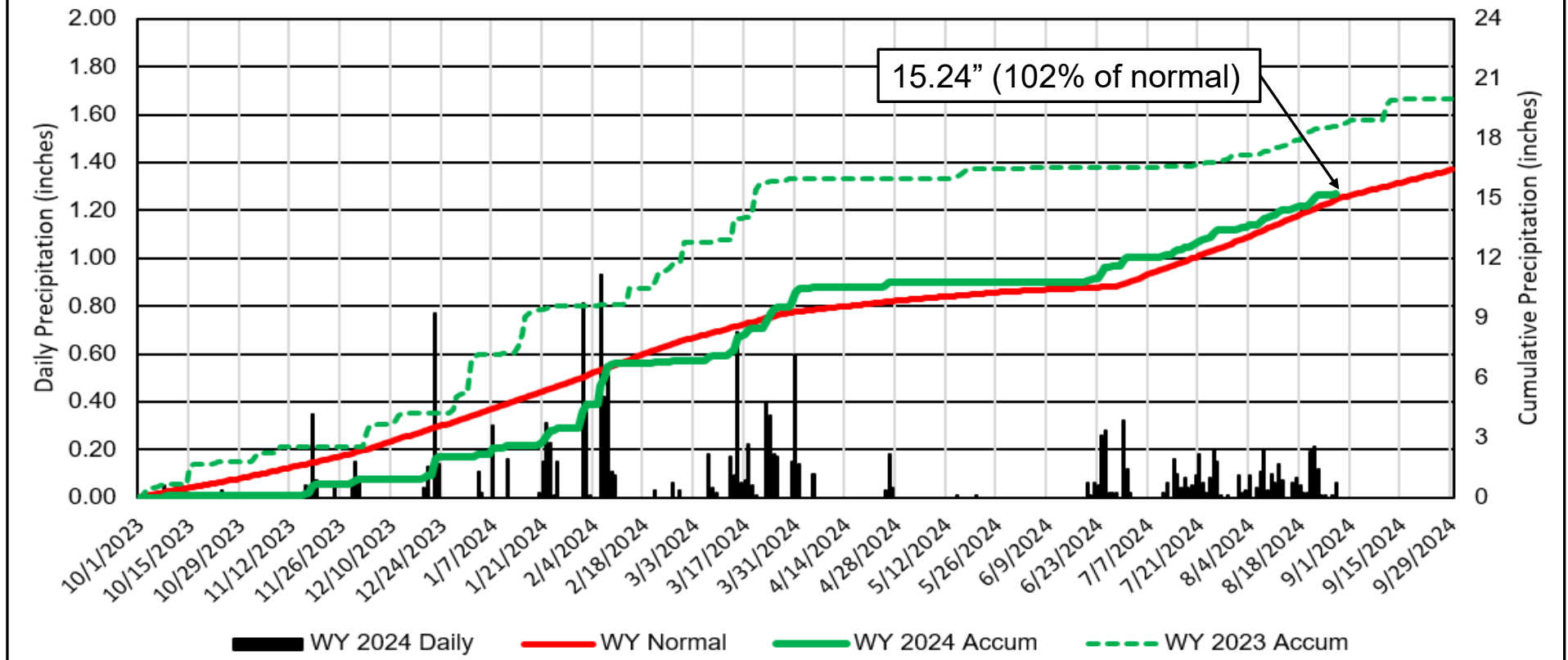
Water Supply and Weather Report

September Board Meeting

September 9, 2024

Stephen Flora

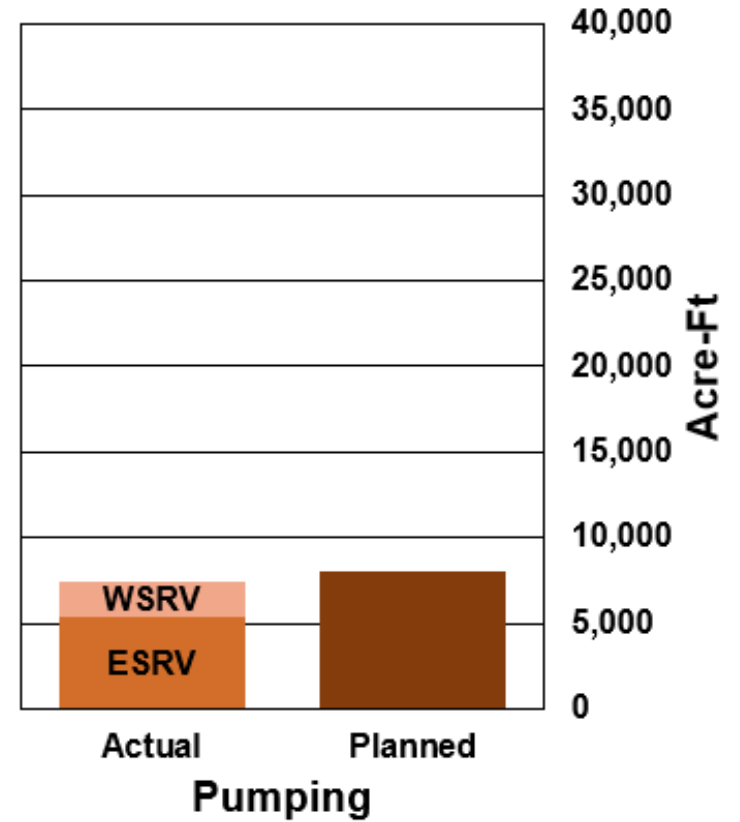
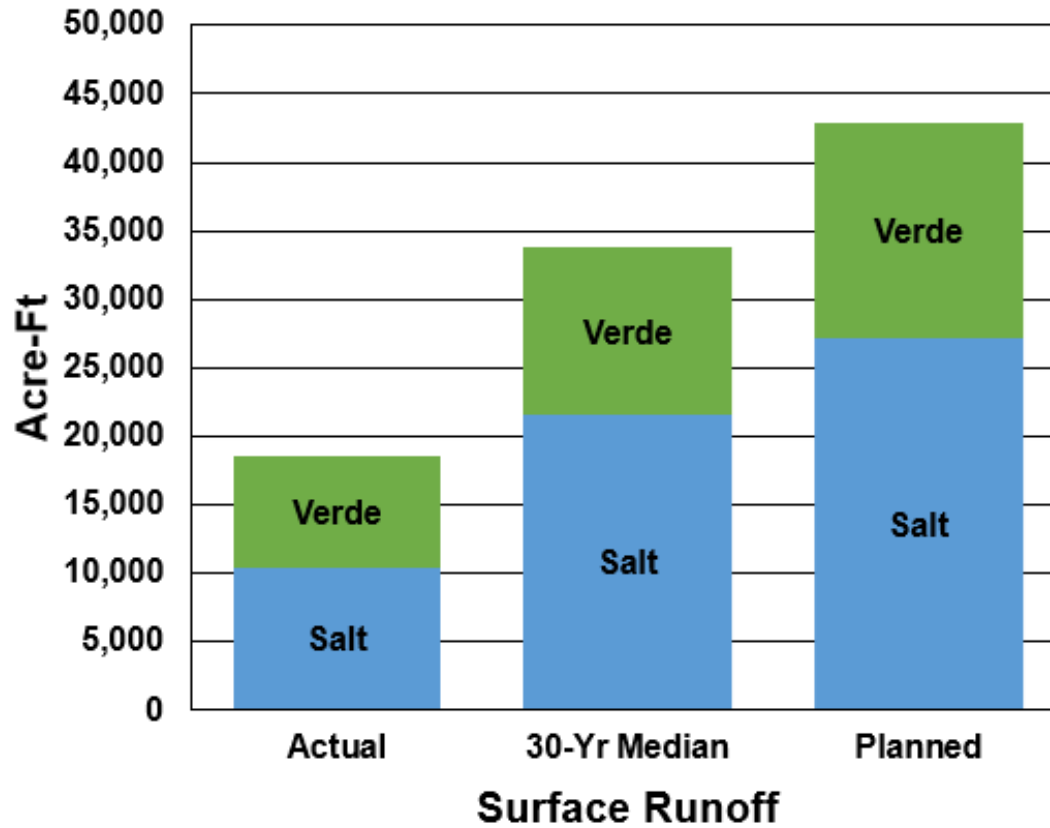
Cumulative Watershed Precipitation: Water Year (Oct 2023 - Sep 2024)



Monsoon Season 2024 Precipitation (June 15 – Aug 30) = 4.41" (98% of normal)

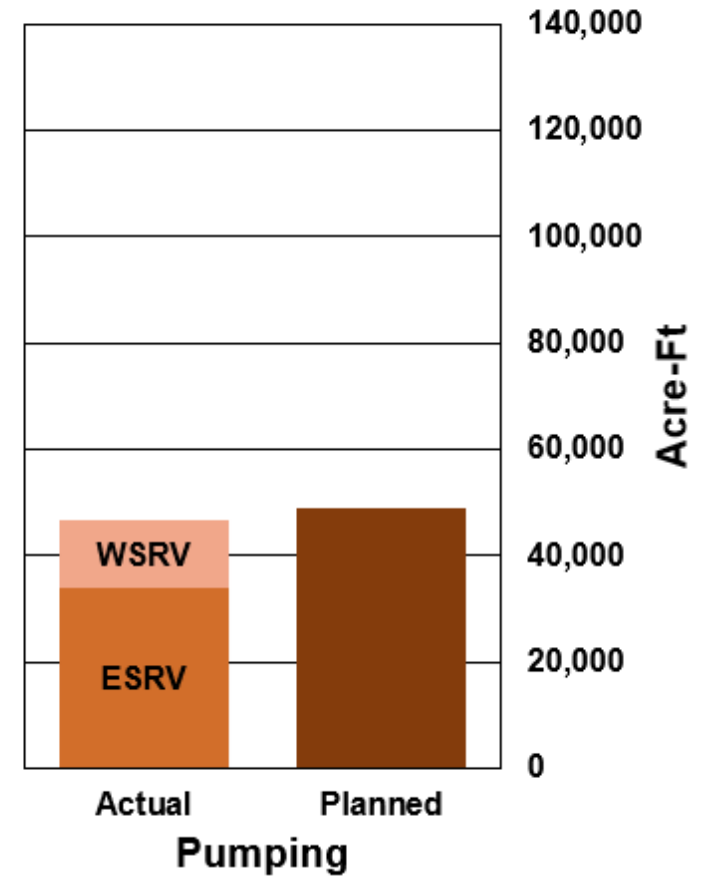
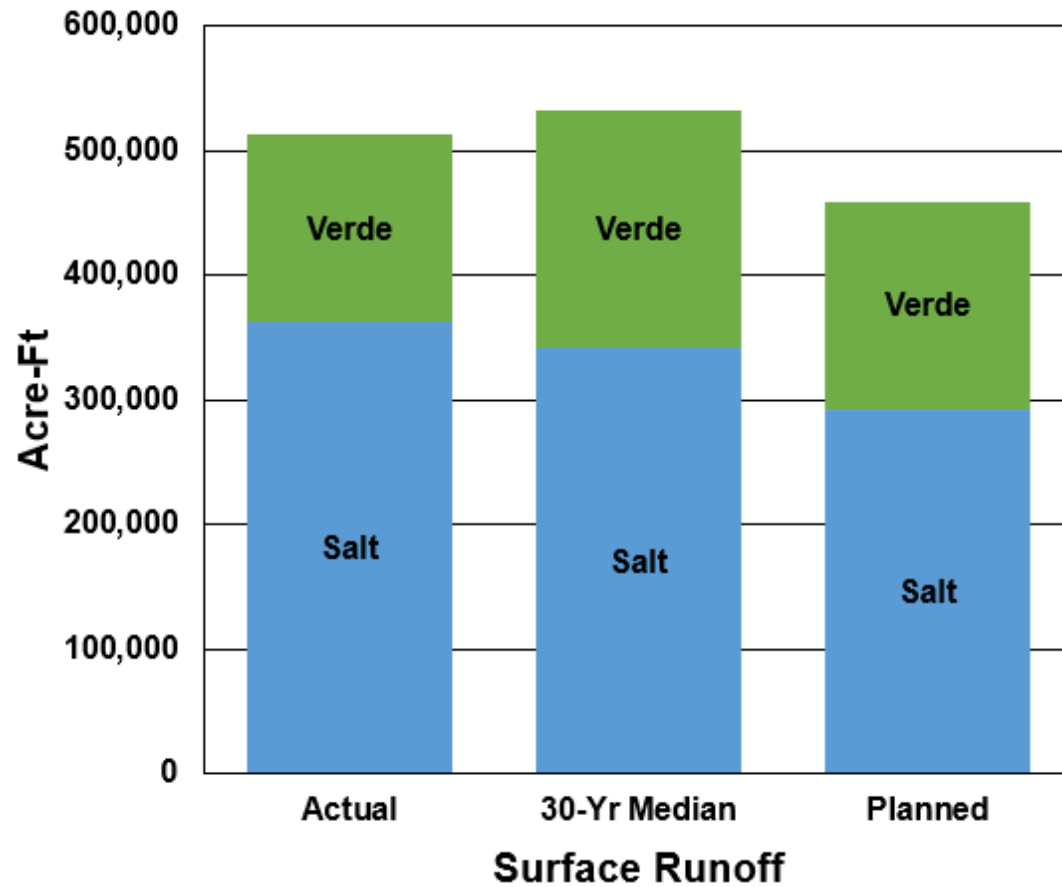
Monsoon Season Runoff (July/August)
as of September 1, 2024
34,000 AF (64% of median)

August 2024



Year to Date Runoff
513,000 AF (96% of median)

Year to Date 2024

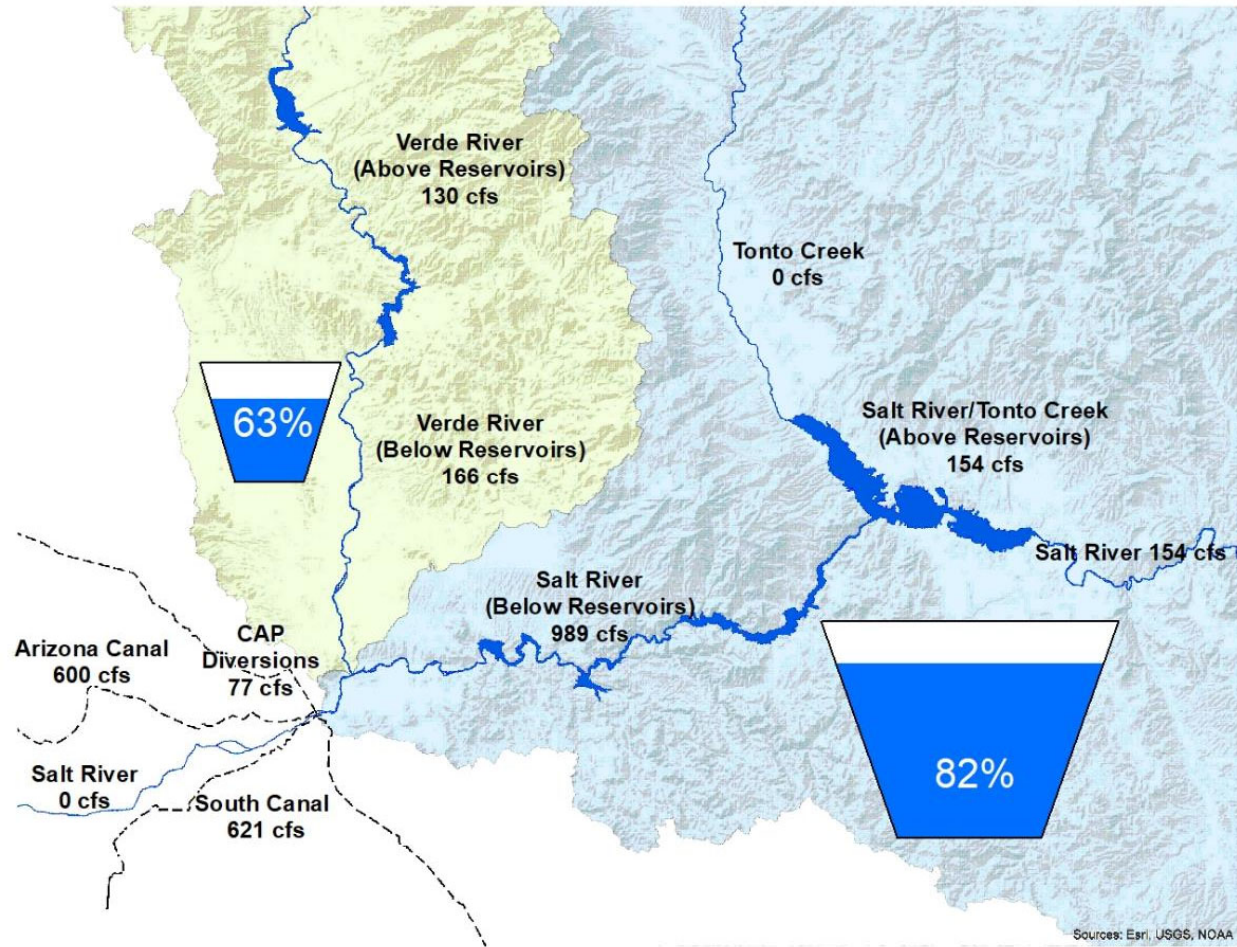


SRP Reservoir System Status

September 1, 2024

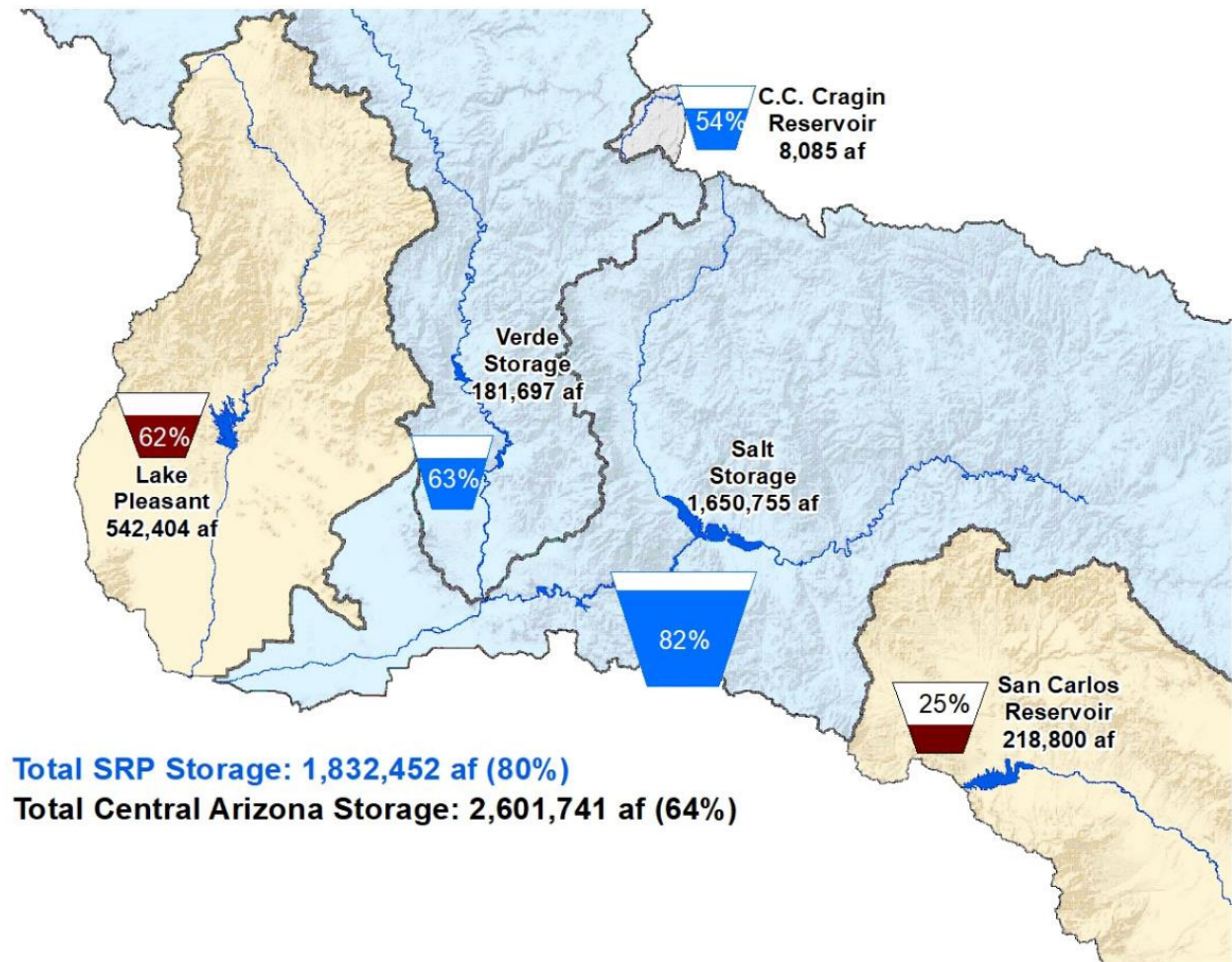
Current Storage:

Salt	1,650,755 AF
Verde	181,697 AF
<hr/>	
Total	1,832,452 AF



Central Arizona Reservoir Status

September 1, 2024

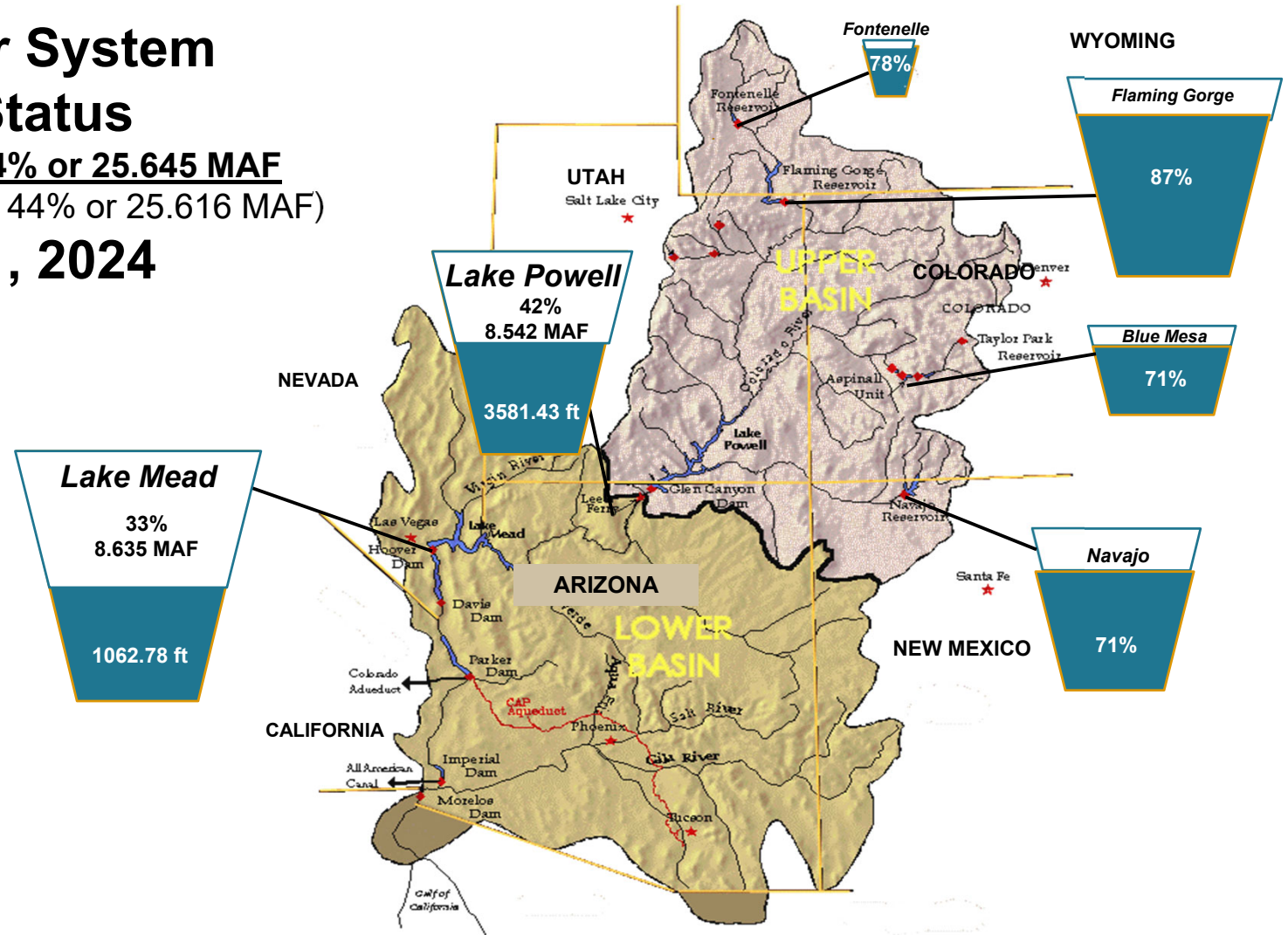


Colorado River System Reservoir Status

Total System Contents – 44% or 25.645 MAF

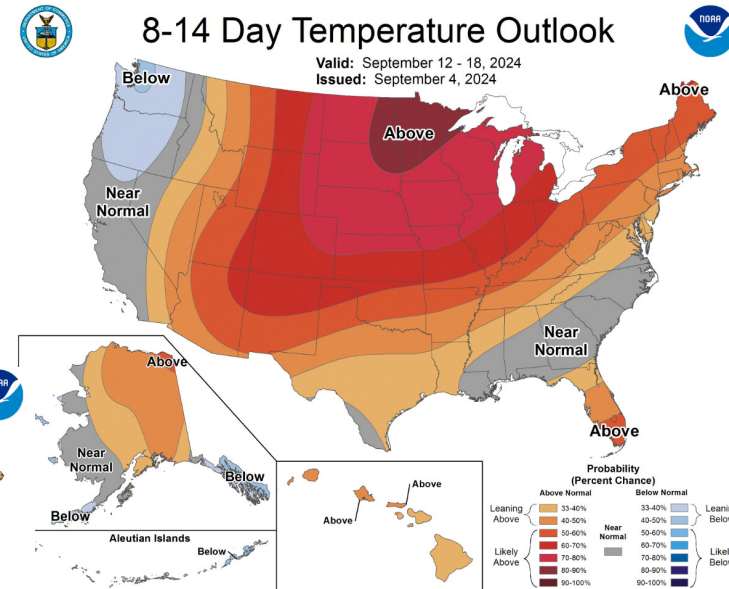
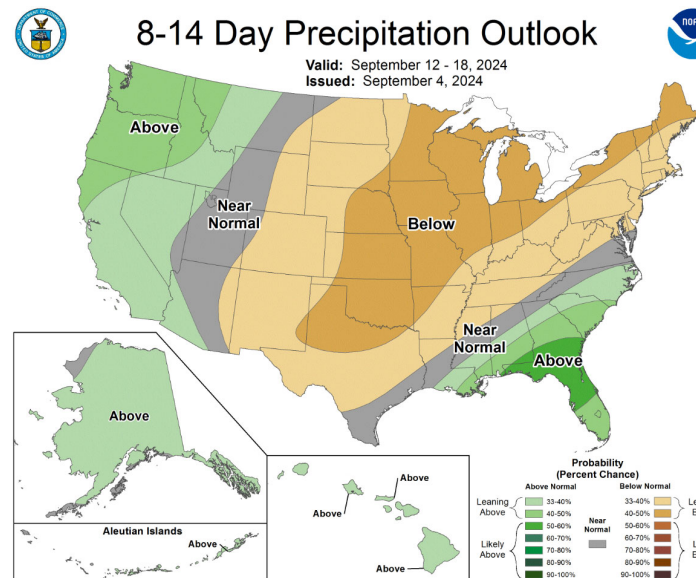
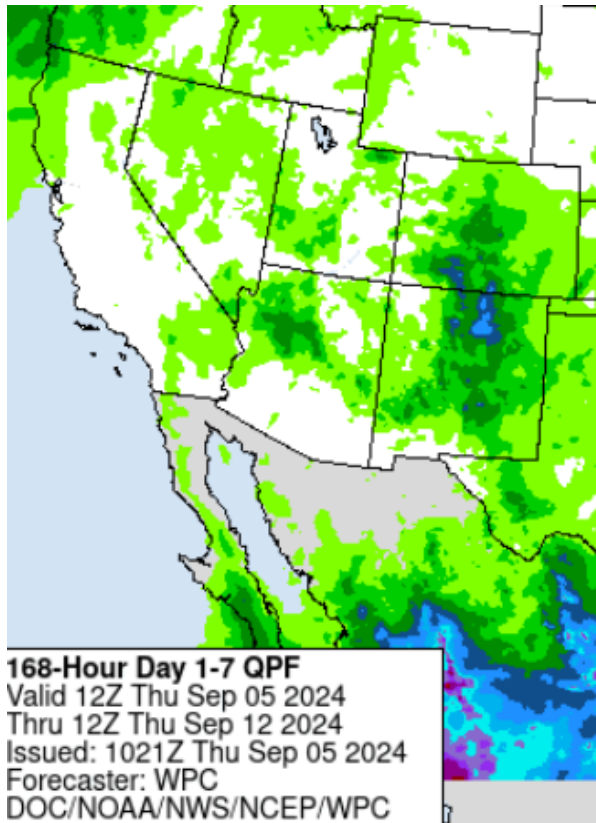
(Total system contents last year 44% or 25.616 MAF)

September 1, 2024



September Weather Outlook

7-day Precipitation Forecast



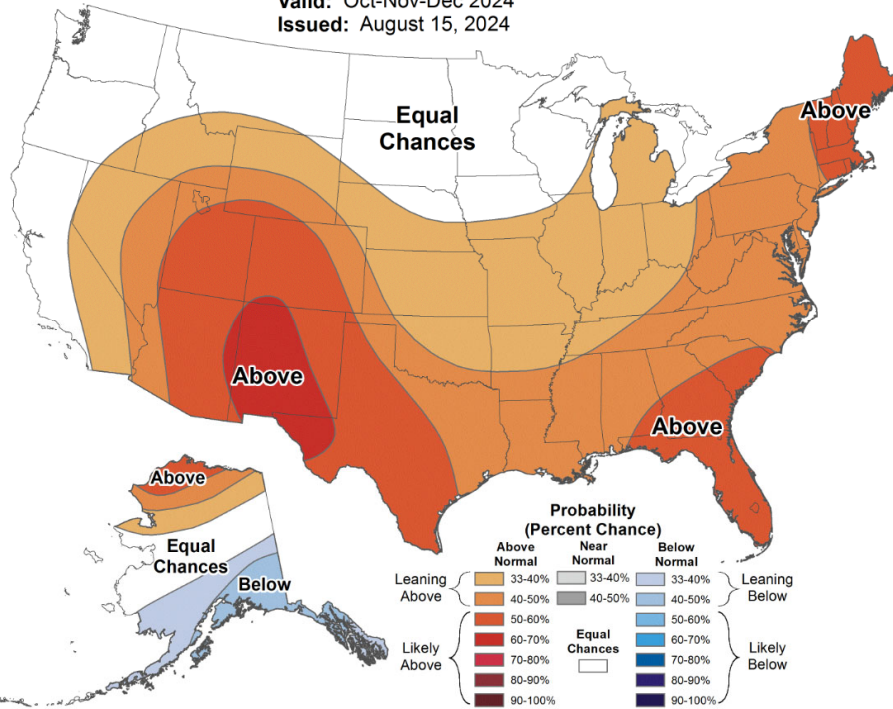
Fall/Winter 2024 Seasonal Outlook



Seasonal Temperature Outlook



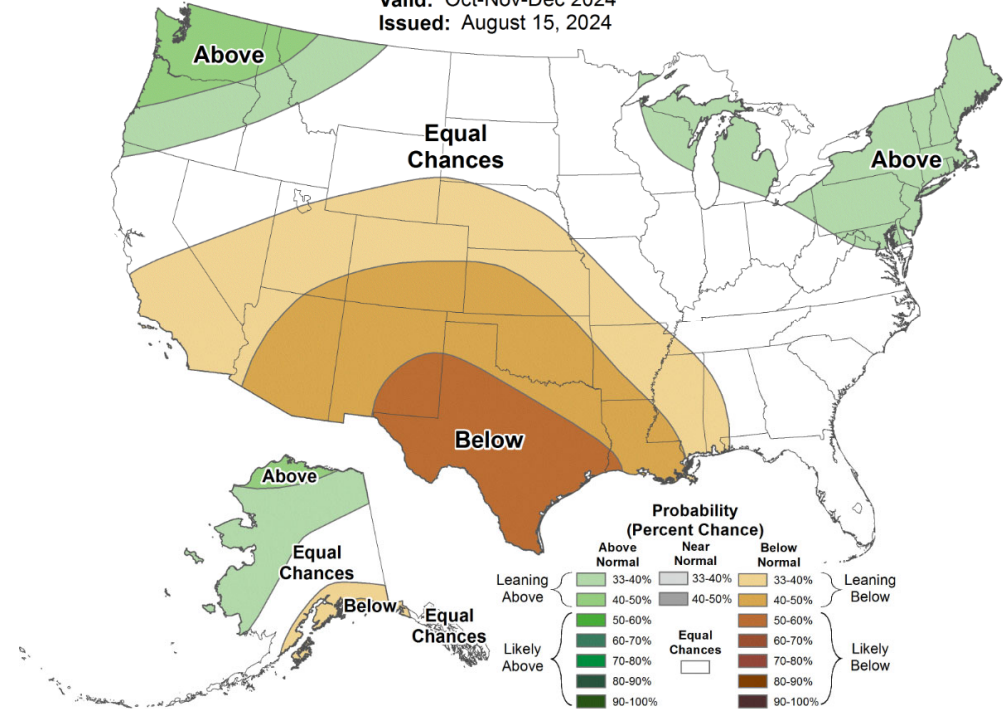
Valid: Oct-Nov-Dec 2024
Issued: August 15, 2024



Seasonal Precipitation Outlook



Valid: Oct-Nov-Dec 2024
Issued: August 15, 2024



ENSO-neutral is expected to continue for the next several months, with La Niña favored to emerge during September-November (66% chance) and persist through the Northern Hemisphere winter 2024-25 (74% chance during November-January) (8 Aug 2024)

thank you!

