

**Lee County Board Of County Commissioners  
Agenda Item Summary**

**Blue Sheet No. 20061457**

**1. ACTION REQUESTED/PURPOSE:**

Approve and authorize the Chairman to sign the "Standard Large Generator Interconnection Agreement" with Florida Power & Light (FPL) that includes a cost estimated by FPL of \$146,000.00 for construction of FPL facilities. Authorize a contingency allowance of an additional \$25,000.00 should FPL's estimate be insufficient. Note: the agreement provides that the County will pay for FPL's cost for construction.

**2. WHAT ACTION ACCOMPLISHES:**

Allows FP&L to construct and maintain the necessary transmission system connection for the WTE Expansion Project generator.

**3. MANAGEMENT RECOMMENDATION:** Staff recommends approval

**4. Departmental Category:** C8A **5. Meeting Date:** November 14, 2006

<b>6. Agenda:</b> <input checked="" type="checkbox"/> Consent <input type="checkbox"/> Administrative <input type="checkbox"/> Appeals <input type="checkbox"/> Public <input type="checkbox"/> Walk-On	<b>7. Requirement/Purpose: (specify)</b>		<b>8. Request Initiated:</b>	
	<input type="checkbox"/> Statute	<input type="checkbox"/>	<b>Commissioner</b>	
	<input type="checkbox"/> Ordinance	<input type="checkbox"/>	<b>Department</b> Public Works	
	<input type="checkbox"/> Admin. Code	<input type="checkbox"/>	<b>Division</b> Solid Waste	
	<input checked="" type="checkbox"/> Other	<u>AGRMT</u>	<b>By:</b> <u>Lindsey Sampson</u>	

**9. Background:**  
The Solid Waste Division made its application to FP&L for the addition of a generator at the WTE on January 28, 2005. In April 2005, FP&L determined that the County's technical information was sufficient for FP&L to begin its "Interconnection Feasibility Study" (IFS). Lee County authorized FPL to perform the IFS study in May 2005. On August 30, 2005, the BOCC entered into the "Interconnection System Impact Study Agreement" in order to have FPL complete the final technical and commercial requirements for the connection facilities. The final Facility Study was completed and FPL issued its Standard Large Generator Interconnection Agreement on July 24, 2006.

The Standard Large Generator Interconnection Agreement has been filed with and approved by the Federal Energy Regulatory Commission (FERC) and, therefore, will require no further regulatory approvals.

Funds are available in:  
20092340102.506510  
Solid Waste Processing Equipment – S.W. Management – Professional Services

**10. Review for Scheduling:**

Department Director	Purchasing or Contracts	Human Resources	Other	County Attorney	Budget Services				County Manager/P.W. Director
					Analyst	Risk	Grants	Mgr.	
<u>J. Jaundt</u> 10-30-06	N.A.	N.A.	N.A.	<u>DAO 10/30</u> <u>10/31/06</u>	<u>11-1-06</u>	<u>11/1/06</u>	<u>11/1/06</u>	<u>11/1/06</u>	<u>J. Jaundt</u> 10-30-06

**11. Commission Action:**

- Approved
- Deferred
- Denied
- Other

RECEIVED BY COUNTY ADMIN: <u>10/31/06</u>
<u>4:10</u>
COUNTY ADMIN FORWARDED TO:

Rec. by CoAtty
Date: <u>10/31/06</u>
Time: <u>11:25 AM</u>
Forwarded To: <u>County Admin</u> <u>10/31/06 2:02 PM</u>

Florida Power & Light Company  
FERC Electric Tariff, 2<sup>nd</sup> Revised Volume No.6

Original Service Agreement No. \_\_\_\_

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

**(Applicable to Generating Facilities that exceed 20 MW)**

**BETWEEN**

**FLORIDA POWER & LIGHT COMPANY**

**AND**

**LEE COUNTY, FLORIDA**

Issued by: C. M. Mennes  
Vice President, Transmission and Substation

Effective: \_\_\_\_\_, 2006

Issued on: FPL Quarterly Report 4Q 2006

**TABLE OF CONTENTS**

**RECITALS.....8**

**ARTICLE 1. DEFINITIONS..... 8**

**ARTICLE 2. EFFECTIVE DATE, TERM AND TERMINATION..... 16**

**2.1 Effective Date ..... 16**

**2.2 Term of Agreement..... 16**

**2.3 Termination Procedures..... 16**

        2.3.1 Written Notice ..... 16

        2.3.2 Default ..... 16

**2.4 Termination Costs..... 16**

**2.5 Disconnection ..... 17**

**2.6 Survival..... 17**

**ARTICLE 3. REGULATORY FILINGS..... 17**

**3.1 Filing ..... 17**

**ARTICLE 4. SCOPE OF SERVICE ..... 17**

**4.1 Interconnection Product Options ..... 17**

        4.1.1 Energy Resource Interconnection Service ..... 17

            4.1.1.1 The Product..... 17

            4.1.1.2 Transmission Delivery Service Implications ..... 18

        4.1.2 Network Resource Interconnection Service ..... 18

            4.1.2.1 The Product..... 18

            4.1.2.2 Transmission Delivery Service Implications ..... 18

**4.2 Provision of Service ..... 19**

**4.3 Performance Standards..... 19**

**4.4 No Transmission Delivery Service..... 20**

**4.5 Interconnection Customer Provided Services ..... 20**

**ARTICLE 5. INTERCONNECTION FACILITIES ENGINEERING,  
PROCUREMENT, AND CONSTRUCTION ..... 20**

**5.1 Options ..... 20**

        5.1.1 Standard Option..... 20

        5.1.2 Alternate Option ..... 20

        5.1.3 Option to Build..... 21

        5.1.4 Negotiated Option ..... 21

**5.2 General Conditions Applicable to Option to Build..... 21**

**5.3 Liquidated Damages ..... 22**

**5.4 Power System Stabilizers ..... 23**

**5.5 Equipment Procurement..... 23**

**5.6 Construction Commencement ..... 23**

**5.7 Work Progress..... 24**

**5.8 Information Exchange..... 24**

<b>5.9</b>	<b>Limited Operation .....</b>	<b>24</b>
<b>5.10</b>	<b>Interconnection Customer's Interconnection Facilities .....</b>	<b>24</b>
5.10.1	Interconnection Customer's Interconnection Facility Specifications.....	24
5.10.2	Transmission Provider's Review.....	24
5.10.3	ICIF Construction.....	25
<b>5.11</b>	<b>Transmission Provider's Interconnection Facilities Construction.....</b>	<b>25</b>
<b>5.12</b>	<b>Access Rights .....</b>	<b>25</b>
<b>5.13</b>	<b>Lands of Other Property Owners.....</b>	<b>25</b>
<b>5.14</b>	<b>Permits .....</b>	<b>26</b>
<b>5.15</b>	<b>Early Construction of Base Case Facilities.....</b>	<b>26</b>
<b>5.16</b>	<b>Suspension .....</b>	<b>26</b>
<b>5.17</b>	<b>Taxes .....</b>	<b>27</b>
5.17.1	Interconnection Customer Payments Not Taxable.....	27
5.17.2	Representations And Covenants.....	27
5.17.3	Indemnification for the Cost Consequences of Current Tax Liability Imposed Upon the Transmission Provider .....	27
5.17.4	Tax Gross-Up Amount .....	28
5.17.5	Private Letter Ruling or Change or Clarification of Law.....	28
5.17.6	Subsequent Taxable Events.....	29
5.17.7	Contests .....	29
5.17.8	Refund .....	29
5.17.9	Taxes Other Than Income Taxes.....	30
5.18	Transmission Owners Who Are Not Transmission Providers .....	31
<b>5.18</b>	<b>Tax Status .....</b>	<b>31</b>
<b>5.19</b>	<b>Modification .....</b>	<b>31</b>
5.19.1	General .....	31
5.19.2	Standards .....	31
5.19.3	Modification Costs .....	31
<b><u>ARTICLE 6. TESTING AND INSPECTION.....</u></b>		<b><u>32</u></b>
<b>6.1</b>	<b>Pre-Commercial Operation Date Testing and Modifications.....</b>	<b>32</b>
<b>6.2</b>	<b>Post-Commercial Operation Date Testing and Modifications .....</b>	<b>32</b>
<b>6.3</b>	<b>Right to Observe Testing.....</b>	<b>32</b>
<b>6.4</b>	<b>Right to Inspect.....</b>	<b>32</b>
<b><u>ARTICLE 7. METERING.....</u></b>		<b><u>32</u></b>
<b>7.1</b>	<b>General.....</b>	<b>32</b>
<b>7.2</b>	<b>Check Meters.....</b>	<b>33</b>
<b>7.3</b>	<b>Standards.....</b>	<b>33</b>
<b>7.4</b>	<b>Testing of Metering Equipment .....</b>	<b>33</b>
<b>7.5</b>	<b>Metering Data .....</b>	<b>33</b>
<b><u>ARTICLE 8. COMMUNICATIONS.....</u></b>		<b><u>33</u></b>
<b>8.1</b>	<b>Interconnection Customer Obligations.....</b>	<b>33</b>
<b>8.2</b>	<b>Remote Terminal Unit.....</b>	<b>34</b>
<b>8.3</b>	<b>No Annexation.....</b>	<b>34</b>

<b><u>ARTICLE 9. OPERATIONS.....</u></b>	<b>34</b>
<b>9.1 General.....</b>	<b>34</b>
<b>9.2 Control Area Notification .....</b>	<b>34</b>
<b>9.3 Transmission Provider Obligations .....</b>	<b>34</b>
<b>9.4 Interconnection Customer Obligations.....</b>	<b>35</b>
<b>9.5 Start-Up and Synchronization .....</b>	<b>35</b>
<b>9.6 Reactive Power .....</b>	<b>35</b>
<b>9.6.1 Power Factor Design Criteria .....</b>	<b>35</b>
<b>9.6.1.1 Reactive Power Design Standards.....</b>	<b>35</b>
<b>9.6.2 Voltage Schedules .....</b>	<b>35</b>
<b>9.6.2.1 Governors and Regulators.....</b>	<b>36</b>
<b>9.6.3 Payment for Reactive Power .....</b>	<b>36</b>
<b>9.7 Outages and Interruptions.....</b>	<b>36</b>
<b>9.7.1 Outages.....</b>	<b>36</b>
<b>9.7.1.1 Outage Authority and Coordination.....</b>	<b>36</b>
<b>9.7.1.2 Outage Schedules.....</b>	<b>36</b>
<b>9.7.1.3 Outage Restoration.....</b>	<b>37</b>
<b>9.7.2 Interruption of Service.....</b>	<b>37</b>
<b>9.7.3 Under-Frequency and Over Frequency Conditions.....</b>	<b>38</b>
<b>9.7.4 System Protection and Other Control Requirements .....</b>	<b>38</b>
<b>9.7.4.1 System Protection Facilities.....</b>	<b>38</b>
<b>9.7.5 Requirements for Protection.....</b>	<b>38</b>
<b>9.7.6 Power Quality.....</b>	<b>39</b>
<b>9.8 Switching and Tagging Rules .....</b>	<b>39</b>
<b>9.9 Use of Interconnection Facilities by Third Parties .....</b>	<b>39</b>
<b>9.9.1 Purpose of Interconnection Facilities .....</b>	<b>39</b>
<b>9.9.2 Third Party Users.....</b>	<b>39</b>
<b>9.10 Disturbance Analysis Data Exchange .....</b>	<b>40</b>
<b><u>ARTICLE 10. MAINTENANCE .....</u></b>	<b>40</b>
<b>10.1 Transmission Provider Obligations .....</b>	<b>40</b>
<b>10.2 Interconnection Customer Obligations.....</b>	<b>40</b>
<b>10.3 Coordination.....</b>	<b>40</b>
<b>10.4 Secondary Systems.....</b>	<b>40</b>
<b>10.5 Operating and Maintenance Expenses .....</b>	<b>40</b>
<b><u>ARTICLE 11. PERFORMANCE OBLIGATION .....</u></b>	<b>40</b>
<b>11.1 Interconnection Customer Interconnection Facilities .....</b>	<b>40</b>
<b>11.3 Network Upgrades and Distribution Upgrades .....</b>	<b>41</b>
<b>11.4 Transmission Credits.....</b>	<b>41</b>
<b>11.4.1 Refund of Amounts Advanced for Network Upgrades .....</b>	<b>41</b>
<b>11.5 Provision of Security.....</b>	<b>42</b>
<b>11.6 Interconnection Customer Compensation.....</b>	<b>42</b>
<b>11.6.1 Interconnection Customer Compensation for Actions During Emergency                 Condition.....</b>	<b>42</b>
<b><u>ARTICLE 12. INVOICE .....</u></b>	<b>43</b>

12.1	General.....	43
12.2	Final Invoice.....	43
12.3	Payment .....	43
12.4	Disputes.....	43
<b><u>ARTICLE 13. EMERGENCIES.....</u></b>		<b>43</b>
13.1	Definition .....	43
13.2	Obligations.....	44
13.3	Notice.....	44
13.4	Immediate Action.....	44
13.5	Transmission Provider Authority .....	44
13.5.1	General .....	44
13.5.2	Reduction and Disconnection.....	45
13.6	Interconnection Customer Authority.....	45
13.7	Limited Liability .....	45
<b><u>ARTICLE 14. REGULATORY REQUIREMENTS AND GOVERNING LAW .....</u></b>		<b>45</b>
14.1	Regulatory Requirements .....	45
14.2	Governing Law.....	46
<b><u>ARTICLE 15. NOTICES.....</u></b>		<b>46</b>
15.1	General.....	46
15.2	Billings and Payments .....	46
15.3	Alternative Forms of Notice.....	46
15.4	Operations and Maintenance Notice.....	46
<b><u>ARTICLE 16. FORCE MAJEURE .....</u></b>		<b>46</b>
<b><u>ARTICLE 17. DEFAULT .....</u></b>		<b>47</b>
17.1	Default.....	47
17.1.1	General .....	47
17.1.2	Right to Terminate.....	47
<b><u>ARTICLE 18. INDEMNITY, CONSEQUENTIAL DAMAGES AND INSURANCE .</u></b>		<b>47</b>
18.1	Indemnity.....	47
18.1.1	Indemnified Person.....	47
18.1.2	Indemnifying Party.....	47
18.1.3	Indemnity Procedures .....	47
18.2	Consequential Damages .....	48
18.3	Insurance .....	48
<b><u>ARTICLE 19. ASSIGNMENT .....</u></b>		<b>50</b>
<b><u>ARTICLE 20. SEVERABILITY.....</u></b>		<b>50</b>
<b><u>ARTICLE 21. COMPARABILITY .....</u></b>		<b>51</b>
<b><u>ARTICLE 22. CONFIDENTIALITY .....</u></b>		<b>51</b>

22.1 Confidentiality.....	51
22.1.1 Term .....	51
22.1.2 Scope .....	51
22.1.3 Release of Confidential Information .....	51
22.1.4 Rights.....	52
22.1.5 No Warranties.....	52
22.1.6 Standard of Care.....	52
22.1.7 Order of Disclosure .....	52
22.1.8 Termination of Agreement .....	52
22.1.9 Remedies .....	52
22.1.10 Disclosure to FERC or its Staff.....	53
<b><u>ARTICLE 23. ENVIRONMENTAL RELEASES.....</u></b>	<b>53</b>
<b><u>ARTICLE 24. INFORMATION REQUIREMENTS .....</u></b>	<b>54</b>
24.1 Information Acquisition .....	54
24.2 Information Submission by Transmission Provider .....	54
24.3 Updated Information Submission by Interconnection Customer .....	54
24.4 Information Supplementation .....	54
<b><u>ARTICLE 25. INFORMATION ACCESS AND AUDIT RIGHTS .....</u></b>	<b>55</b>
25.1 Information Access .....	55
25.2 Reporting of Non-Force Majeure Events .....	55
25.3 Audit Rights.....	55
25.4 Audit Rights Periods.....	56
25.4.1 Audit Rights Period for Construction-Related Accounts and Records.....	56
25.4.2 Audit Rights Period for All Other Accounts and Records .....	56
25.5 Audit Results .....	56
<b><u>ARTICLE 26. SUBCONTRACTORS .....</u></b>	<b>56</b>
26.1 General.....	56
26.2 Responsibility of Principal .....	56
26.3 No Limitation by Insurance.....	56
<b><u>ARTICLE 27. DISPUTES .....</u></b>	<b>56</b>
27.1 Submission .....	56
27.2 External Arbitration Procedures .....	57
27.3 Arbitration Decisions.....	57
27.4 Costs .....	57
<b><u>ARTICLE 28. REPRESENTATIONS, WARRANTIES AND COVENANTS .....</u></b>	<b>57</b>
28.1 General.....	57
28.1.1 Good Standing .....	57
28.1.2 Authority .....	58
28.1.3 No Conflict.....	58
28.1.4 Consent and Approval .....	58

<b><u>ARTICLE 29. JOINT OPERATING COMMITTEE.....</u></b>	<b><u>58</u></b>
<b><u>ARTICLE 30. MISCELLANEOUS.....</u></b>	<b><u>59</u></b>
30.1 Binding Effect.....	59
30.2 Conflicts .....	59
30.3 Rules of Interpretation .....	59
30.4 Entire Agreement.....	59
30.5 No Third Party Beneficiaries .....	59
30.6 Waiver.....	60
30.7 Headings .....	60
30.8 Multiple Counterparts.....	60
30.9 Amendment .....	60
30.10 Modification by the Parties.....	60
30.11 Reservation of Rights.....	60
30.12 No Partnership .....	60
<b><u>Appendix A Interconnection Facilities, Network Upgrades and Distribution Upgrades</u></b>	<b><u>63</u></b>
<b><u>Appendix B Milestones .....</u></b>	<b><u>66</u></b>
<b><u>Appendix C Interconnection Details.....</u></b>	<b><u>67</u></b>
<b><u>Appendix D Security Arrangements Details.....</u></b>	<b><u>69</u></b>
<b><u>Appendix E Commercial Operation Date.....</u></b>	<b><u>70</u></b>
<b><u>Appendix F Addresses for Delivery of Notices and Billings.....</u></b>	<b><u>71</u></b>
<b><u>Appendix G Interconnection Requirements for a Wind Generating Plant .....</u></b>	<b><u>73</u></b>



1                   **STANDARD LARGE GENERATOR INTERCONNECTION AGREEMENT**

2           This Standard Large Generator Interconnection Agreement ("Agreement") is made and  
3 entered into this \_\_\_ day of \_\_\_\_\_, 2006 by and between Lee County,  
4 Florida, a political subdivision and charter county of the State of Florida, acting by and through  
5 its Board of County Commissioners the governing body thereof, ("Interconnection Customer"  
6 with a Large Generating Facility), and Florida Power & Light Company, a company existing  
7 under the laws of the State of Florida ("Transmission Provider and/or Transmission Owner").  
8 Interconnection Customer and Transmission Provider each may be referred to as a "Party" or  
9 collectively as the "Parties."

10   **RECITALS**

11           Whereas, Transmission Provider operates the Transmission System; and

12           Whereas, Interconnection Customer intends to own, lease and/or control and operate the  
13 Generating Facility identified as a Large Generating Facility in Appendix C to this Agreement;  
14 and,

15           Whereas, Interconnection Customer and Transmission Provider have agreed to enter into this  
16 Agreement for the purpose of interconnecting the Large Generating Facility with the  
17 Transmission System;

18           Now, therefore, in consideration of and subject to the mutual covenants contained herein, it is  
19 agreed:

20           When used in this Standard Large Generator Interconnection Agreement, terms with initial  
21 capitalization that are not defined in Article 1 shall have the meanings specified in the Article in  
22 which they are used or the Open Access Transmission Tariff (Tariff).

23   **ARTICLE 1. DEFINITIONS**

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

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

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

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

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

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

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

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

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

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

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

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

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

17       *Clustering* shall mean the process whereby a group of Interconnection Requests is studied  
18 together, instead of serially, for the purpose of conducting the Interconnection System Impact  
19 Study.

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

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

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

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

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

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

38       *Distribution System* shall mean the Transmission Provider's facilities and equipment used to  
39 transmit electricity to ultimate usage points such as homes and industries directly from nearby  
40 generators or from interchanges with higher voltage transmission networks which transport bulk

1 power over longer distances. The voltage levels at which distribution systems operate differ  
2 among areas.

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

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

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

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

29 *Engineering & Procurement (E&P) Agreement* shall mean an agreement that authorizes the  
30 Transmission Provider to begin engineering and procurement of long lead-time items necessary  
31 for the establishment of the interconnection in order to advance the implementation of the  
32 Interconnection Request.

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

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

36 *FERC* shall mean the Federal Energy Regulatory Commission (Commission) or its successor.

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

1        *Generating Facility* shall mean Interconnection Customer's device for the production of  
2 electricity identified in the Interconnection Request, but shall not include the Interconnection  
3 Customer's Interconnection Facilities.

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

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

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

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

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

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

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

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

1        *Interconnection Facilities* shall mean the Transmission Provider's Interconnection Facilities  
2 and the Interconnection Customer's Interconnection Facilities. Collectively, Interconnection  
3 Facilities include all facilities and equipment between the Generating Facility and the Point of  
4 Interconnection, including any modification, additions or upgrades that are necessary to  
5 physically and electrically interconnect the Generating Facility to the Transmission Provider's  
6 Transmission System.

7        *Interconnection Facilities* are sole use facilities and shall not include Distribution Upgrades,  
8 Stand Alone Network Upgrades or Network Upgrades.

9        *Interconnection Facilities Study* shall mean a study conducted by the Transmission Provider  
10 or a third party consultant for the Interconnection Customer to determine a list of facilities  
11 (including Transmission Provider's Interconnection Facilities and Network Upgrades as  
12 identified in the Interconnection System Impact Study), the cost of those facilities, and the time  
13 required to interconnect the Generating Facility with the Transmission Provider's Transmission  
14 System. The scope of the study is defined in Section 8 of the Standard Large Generator  
15 Interconnection Procedures.

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

19        *Interconnection Feasibility Study* shall mean a preliminary evaluation of the system impact  
20 and cost of interconnecting the Generating Facility to the Transmission Provider's Transmission  
21 System, the scope of which is described in Section 6 of the Standard Large Generator  
22 Interconnection Procedures.

23        *Interconnection Feasibility Study Agreement* shall mean the form of agreement contained in  
24 Appendix 2 of the Standard Large Generator Interconnection Procedures for conducting the  
25 Interconnection Feasibility Study.

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

31        *Interconnection Service* shall mean the service provided by the Transmission Provider  
32 associated with interconnecting the Interconnection Customer's Generating Facility to the  
33 Transmission Provider's Transmission System and enabling it to receive electric energy and  
34 capacity from the Generating Facility at the Point of Interconnection, pursuant to the terms of the  
35 Standard Large Generator Interconnection Agreement and, if applicable, the Transmission  
36 Provider's Tariff.

37        *Interconnection Study* shall mean any of the following studies: The Interconnection  
38 Feasibility Study, the Interconnection System Impact Study, and the Interconnection Facilities  
39 Study described in the Standard Large Generator Interconnection Procedures.

40        *Interconnection System Impact Study* shall mean an engineering study that evaluates the  
41 impact of the proposed interconnection on the safety and reliability of Transmission Provider's  
42 Transmission System and, if applicable, an Affected System. The study shall identify and detail  
43 the system impacts that would result if the Generating Facility were interconnected without

1 project modifications or system modifications, focusing on the Adverse System Impacts  
2 identified in the Interconnection Feasibility Study, or to study potential impacts, including but  
3 not limited to those identified in the Scoping Meeting as described in the Standard Large  
4 Generator Interconnection Procedures.

5 *Interconnection System Impact Study Agreement* shall mean the form of agreement contained  
6 in Appendix 3 of the Standard Large Generator Interconnection Procedures for conducting the  
7 Interconnection System Impact Study.

8 *IRS* shall mean the Internal Revenue Service.

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

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

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

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

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

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

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

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

40 *Network Upgrades* shall mean the additions, modifications, and upgrades to the Transmission  
41 Provider's Transmission System required at or beyond the point at which the Interconnection  
42 Facilities connect to the Transmission Provider's Transmission System to accommodate the

1 interconnection of the Large Generating Facility to the Transmission Provider's Transmission  
2 System.

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

5 *Optional Interconnection Study* shall mean a sensitivity analysis based on assumptions  
6 specified by the Interconnection Customer in the Optional Interconnection Study Agreement.

7 *Optional Interconnection Study Agreement* shall mean the form of agreement contained in  
8 Appendix 5 of the Standard Large Generator Interconnection Procedures for conducting the  
9 Optional Interconnection Study.

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

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

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

18 *Queue Position* shall mean the order of a valid Interconnection Request, relative to all other  
19 pending valid Interconnection Requests, that is established based upon the date and time of  
20 receipt of the valid Interconnection Request by the Transmission Provider.

21 *Reasonable Efforts* shall mean, with respect to an action required to be attempted or taken by  
22 a Party under the Standard Large Generator Interconnection Agreement, efforts that are timely  
23 and consistent with Good Utility Practice and are otherwise substantially equivalent to those a  
24 Party would use to protect its own interests.

25 *Scoping Meeting* shall mean the meeting between representatives of the Interconnection  
26 Customer and Transmission Provider conducted for the purpose of discussing alternative  
27 interconnection options, to exchange information including any transmission data and earlier  
28 study evaluations that would be reasonably expected to impact such interconnection options, to  
29 analyze such information, and to determine the potential feasible Points of Interconnection.

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

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

38 *Stand Alone Network Upgrades* shall mean Network Upgrades that an Interconnection  
39 Customer may construct without affecting day-to-day operations of the Transmission System  
40 during their construction. Both the Transmission Provider and the Interconnection Customer

1 must agree as to what constitutes Stand Alone Network Upgrades and identify them in Appendix  
2 A to the Standard Large Generator Interconnection Agreement.

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

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

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

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

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

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

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

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

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



1                                   **ARTICLE 2. EFFECTIVE DATE, TERM AND TERMINATION**

2           **2.1 Effective Date.** This LGIA shall become effective upon execution by the Parties subject  
3 to acceptance by FERC (if applicable), or if filed unexecuted, upon the date specified by FERC.  
4 Transmission Provider shall promptly file this LGIA with FERC upon execution in accordance  
5 with Article 3.1, if required.

6           **2.2 Term of Agreement.** Subject to the provisions of Article 2.3, this LGIA shall remain in  
7 effect for a period of twenty-five (25) years from the Effective Date or such other longer period  
8 as Interconnection Customer may request and shall be automatically renewed for each successive  
9 one-year period thereafter.

10           **2.3 Termination Procedures.**

11           **2.3.1 Written Notice.** This LGIA may be terminated by Interconnection Customer after  
12 giving Transmission Provider ninety (90) Calendar Days advance written notice, or by  
13 Transmission Provider notifying FERC after the Generating Facility permanently ceases  
14 Commercial Operation.

15           **2.3.2 Default.** Either Party may terminate this LGIA in accordance with Article 17.

16                                   2.3.3 Notwithstanding Articles 2.3.1 and 2.3.2, no termination shall become  
17 effective until the Parties have complied with all Applicable Laws and  
18 Regulations applicable to such termination, including the filing with FERC of a  
19 notice of termination of this LGIA, which notice has been accepted for filing by  
20 FERC.

21           **2.4 Termination Costs.** If a Party elects to terminate this Agreement pursuant to Article 2.3  
22 above, each Party shall pay all costs incurred (including any cancellation costs relating to orders  
23 or contracts for Interconnection Facilities and equipment) or charges assessed by the other Party,  
24 as of the date of the other Party's receipt of such notice of termination, that are the responsibility  
25 of the Terminating Party under this LGIA. In the event of termination by a Party, the Parties  
26 shall use commercially Reasonable Efforts to mitigate the costs, damages and charges arising as  
27 a consequence of termination. Upon termination of this LGIA, unless otherwise ordered or  
28 approved by FERC:

29           **2.4.1** With respect to any portion of Transmission Provider's Interconnection Facilities that  
30 have not yet been constructed or installed, Transmission Provider shall to the extent possible and  
31 with Interconnection Customer's authorization cancel any pending orders of, or return, any  
32 materials or equipment for, or contracts for construction of, such facilities; provided that in the  
33 event Interconnection Customer elects not to authorize such cancellation, Interconnection  
34 Customer shall assume all payment obligations with respect to such materials, equipment, and  
35 contracts, and Transmission Provider shall deliver such material and equipment, and, if  
36 necessary, assign such contracts, to Interconnection Customer as soon as practicable, at  
37 Interconnection Customer's expense. To the extent that Interconnection Customer has already  
38 paid Transmission Provider for any or all such costs of materials or equipment not taken by  
39 Interconnection Customer, Transmission Provider shall promptly refund such amounts to  
40 Interconnection Customer, less any costs, including penalties incurred by Transmission Provider  
41 to cancel any pending orders of or return such materials, equipment, or contracts.

1 If an Interconnection Customer terminates this LGIA, it shall be responsible for all costs  
2 incurred in association with that Interconnection Customer's interconnection, including any  
3 cancellation costs relating to orders or contracts for Interconnection Facilities and equipment,  
4 and other expenses including any Network Upgrades for which Transmission Provider has  
5 incurred expenses and has not been reimbursed by Interconnection Customer.

6 2.4.2 Transmission Provider may, at its option, retain any portion of such materials,  
7 equipment, or facilities that Interconnection Customer chooses not to accept delivery of, in  
8 which case Transmission Provider shall be responsible for all costs associated with procuring  
9 such materials, equipment, or facilities.

10 2.4.3 With respect to any portion of the Interconnection Facilities, and any other facilities  
11 already installed or constructed pursuant to the terms of this LGIA,  
12 Interconnection Customer shall be responsible for all costs associated with the  
13 removal, relocation or other disposition or retirement of such materials,  
14 equipment, or facilities.

15 **2.5 Disconnection.** Upon termination of this LGIA, the Parties will take all appropriate steps  
16 to disconnect the Large Generating Facility from the Transmission System. All costs required to  
17 effectuate such disconnection shall be borne by the terminating Party, unless such termination  
18 resulted from the non-terminating Party's Default of this LGIA or such non-terminating Party  
19 otherwise is responsible for these costs under this LGIA.

20 **2.6 Survival.** This LGIA shall continue in effect after termination to the extent necessary to  
21 provide for final billings and payments and for costs incurred hereunder, including billings and  
22 payments pursuant to this LGIA; to permit the determination and enforcement of liability and  
23 indemnification obligations arising from acts or events that occurred while this LGIA was in  
24 effect; and to permit each Party to have access to the lands of the other Party pursuant to this  
25 LGIA or other applicable agreements, to disconnect, remove or salvage its own facilities and  
26 equipment.

### 27 **ARTICLE 3. REGULATORY FILINGS**

28 **3.1 Filing.** Transmission Provider shall file this LGIA (and any amendment hereto) with the  
29 appropriate Governmental Authority, if required. Interconnection Customer may request that  
30 any information so provided be subject to the confidentiality provisions of Article 22. If  
31 Interconnection Customer has executed this LGIA, or any amendment thereto, Interconnection  
32 Customer shall reasonably cooperate with Transmission Provider with respect to such filing and  
33 to provide any information reasonably requested by Transmission Provider needed to comply  
34 with applicable regulatory requirements.

### 35 **ARTICLE 4. SCOPE OF SERVICE**

36 **4.1 Interconnection Product Options.** Interconnection Customer has selected the following  
37 (checked) type of Interconnection Service:

38 **4.1.1 Energy Resource Interconnection Service (ER Interconnection Service).**

39 **4.1.1.1 The Product.** Energy Resource Interconnection Service allows Interconnection  
40 Customer to connect the Large Generating Facility to the Transmission System and be eligible to

1 deliver the Large Generating Facility's output using the existing firm or non-firm capacity of the  
2 Transmission System on an "as available" basis. To the extent Interconnection Customer wants  
3 to receive Energy Resource Interconnection Service, Transmission Provider shall construct  
4 facilities identified in Attachment A.

5 **4.1.1.2 Transmission Delivery Service Implications.** Under Energy Resource  
6 Interconnection Service, Interconnection Customer will be eligible to inject power from the  
7 Large Generating Facility into and deliver power across the interconnecting Transmission  
8 Provider's Transmission System on an "as available" basis up to the amount of MWs identified in  
9 the applicable stability and steady state studies to the extent the upgrades initially required to  
10 qualify for Energy Resource Interconnection Service have been constructed. Where eligible to  
11 do so (e.g., PJM, ISO-NE, NYISO), Interconnection Customer may place a bid to sell into the  
12 market up to the maximum identified Large Generating Facility output, subject to any conditions  
13 specified in the interconnection service approval, and the Large Generating Facility will be  
14 dispatched to the extent Interconnection Customer's bid clears. In all other instances, no  
15 transmission delivery service from the Large Generating Facility is assured, but Interconnection  
16 Customer may obtain Point-to-Point Transmission Service, Network Integration Transmission  
17 Service, or be used for secondary network transmission service, pursuant to Transmission  
18 Provider's Tariff, up to the maximum output identified in the stability and steady state studies. In  
19 those instances, in order for Interconnection Customer to obtain the right to deliver or inject  
20 energy beyond the Large Generating Facility Point of Interconnection or to improve its ability to  
21 do so, transmission delivery service must be obtained pursuant to the provisions of Transmission  
22 Provider's Tariff. The Interconnection Customer's ability to inject its Large Generating Facility  
23 output beyond the Point of Interconnection, therefore, will depend on the existing capacity of  
24 Transmission Provider's Transmission System at such time as a transmission service request is  
25 made that would accommodate such delivery. The provision of firm Point-to-Point  
26 Transmission Service or Network Integration Transmission Service may require the construction  
27 of additional Network Upgrades.

28 **X 4.1.2 Network Resource Interconnection Service (NR Interconnection Service).**

29 **4.1.2.1 The Product.** Transmission Provider must conduct the necessary studies and  
30 construct the Network Upgrades needed to integrate the Large Generating Facility (1) in a  
31 manner comparable to that in which Transmission Provider integrates its generating facilities to  
32 serve native load customers; or (2) in an ISO or RTO with market based congestion  
33 management, in the same manner as all Network Resources. To the extent Interconnection  
34 Customer wants to receive Network Resource Interconnection Service, Transmission Provider  
35 shall construct the facilities identified in Attachment A to this LGIA.

36 **4.1.2.2 Transmission Delivery Service Implications.** Network Resource  
37 Interconnection Service allows Interconnection Customer's Large Generating Facility to be  
38 designated by any Network Customer under the Tariff on Transmission Provider's Transmission  
39 System as a Network Resource, up to the Large Generating Facility's full output, on the same  
40 basis as existing Network Resources interconnected to Transmission Provider's Transmission  
41 System, and to be studied as a Network Resource on the assumption that such a designation will  
42 occur. Although Network Resource Interconnection Service does not convey a reservation of  
43 transmission service, any Network Customer under the Tariff can utilize its network service  
44 under the Tariff to obtain delivery of energy from the interconnected Interconnection Customer's  
45 Large Generating Facility in the same manner as it accesses Network Resources. A Large

1 Generating Facility receiving Network Resource Interconnection Service may also be used to  
2 provide Ancillary Services after technical studies and/or periodic analyses are performed with  
3 respect to the Large Generating Facility's ability to provide any applicable Ancillary Services,  
4 provided that such studies and analyses have been or would be required in connection with the  
5 provision of such Ancillary Services by any existing Network Resource. However, if an  
6 Interconnection Customer's Large Generating Facility has not been designated as a Network  
7 Resource by any load, it cannot be required to provide Ancillary Services except to the extent  
8 such requirements extend to all generating facilities that are similarly situated. The provision of  
9 Network Integration Transmission Service or firm Point-to-Point Transmission Service may  
10 require additional studies and the construction of additional upgrades. Because such studies and  
11 upgrades would be associated with a request for delivery service under the Tariff, cost  
12 responsibility for the studies and upgrades would be in accordance with FERC's policy for  
13 pricing transmission delivery services.

14 Network Resource Interconnection Service does not necessarily provide Interconnection  
15 Customer with the capability to physically deliver the output of its Large Generating Facility to  
16 any particular load on Transmission Provider's Transmission System without incurring  
17 congestion costs. In the event of transmission constraints on Transmission Provider's  
18 Transmission System, Interconnection Customer's Large Generating Facility shall be subject to  
19 the applicable congestion management procedures in Transmission Provider's Transmission  
20 System in the same manner as Network Resources.

21 There is no requirement either at the time of study or interconnection, or at any point in the  
22 future, that Interconnection Customer's Large Generating Facility be designated as a Network  
23 Resource by a Network Service Customer under the Tariff or that Interconnection Customer  
24 identify a specific buyer (or sink). To the extent a Network Customer does designate the Large  
25 Generating Facility as a Network Resource, it must do so pursuant to Transmission Provider's  
26 Tariff.

27 Once an Interconnection Customer satisfies the requirements for obtaining Network  
28 Resource Interconnection Service, any future transmission service request for delivery from the  
29 Large Generating Facility within Transmission Provider's Transmission System of any amount of  
30 capacity and/or energy, up to the amount initially studied, will not require that any additional  
31 studies be performed or that any further upgrades associated with such Large Generating Facility  
32 be undertaken, regardless of whether or not such Large Generating Facility is ever designated by  
33 a Network Customer as a Network Resource and regardless of changes in ownership of the Large  
34 Generating Facility. However, the reduction or elimination of congestion or redispatch costs may  
35 require additional studies and the construction of additional upgrades.

36 To the extent Interconnection Customer enters into an arrangement for long term  
37 transmission service for deliveries from the Large Generating Facility outside Transmission  
38 Provider's Transmission System, such request may require additional studies and upgrades in  
39 order for Transmission Provider to grant such request.

40 **4.2 Provision of Service.** Transmission Provider shall provide Interconnection Service for  
41 the Large Generating Facility at the Point of Interconnection.

42 **4.3 Performance Standards.** Each Party shall perform all of its obligations under this LGIA  
43 in accordance with Applicable Laws and Regulations, Applicable Reliability Standards, and  
44 Good Utility Practice, and to the extent a Party is required or prevented or limited in taking any

1 action by such regulations and standards, such Party shall not be deemed to be in Breach of this  
2 LGIA for its compliance therewith. If such Party is a Transmission Provider or Transmission  
3 Owner, then that Party shall amend the LGIA and submit the amendment to FERC for approval.

4 **4.4 No Transmission Delivery Service.** The execution of this LGIA does not constitute a  
5 request for, nor the provision of, any transmission delivery service under Transmission  
6 Provider's Tariff, and does not convey any right to deliver electricity to any specific customer or  
7 Point of Delivery.

8 **4.5 Interconnection Customer Provided Services.** The services provided by  
9 Interconnection Customer under this LGIA are set forth in Article 9.6 and Article 13.5.1.  
10 Interconnection Customer shall be paid for such services in accordance with Article 11.6.

## 11 **ARTICLE 5. INTERCONNECTION FACILITIES ENGINEERING, PROCUREMENT,** 12 **AND CONSTRUCTION**

13 **5.1 Options.** Unless otherwise mutually agreed to between the Parties, Interconnection  
14 Customer shall select the In-Service Date, Initial Synchronization Date, and Commercial  
15 Operation Date; and either Standard Option or Alternate Option set forth below for completion  
16 of Transmission Provider's Interconnection Facilities and Network Upgrades as set forth in  
17 Appendix A, Interconnection Facilities and Network Upgrades, and such dates and selected  
18 option shall be set forth in Appendix B, Milestones.

19 **5.1.1 Standard Option.** Transmission Provider shall design, procure, and construct  
20 Transmission Provider's Interconnection Facilities and Network Upgrades, using Reasonable  
21 Efforts to complete Transmission Provider's Interconnection Facilities and Network Upgrades by  
22 the dates set forth in Appendix B, Milestones. Transmission Provider shall not be required to  
23 undertake any action which is inconsistent with its standard safety practices, its material and  
24 equipment specifications, its design criteria and construction procedures, its labor agreements,  
25 and Applicable Laws and Regulations. In the event Transmission Provider reasonably expects  
26 that it will not be able to complete Transmission Provider's Interconnection Facilities and  
27 Network Upgrades by the specified dates, Transmission Provider shall promptly provide written  
28 notice to Interconnection Customer and shall undertake Reasonable Efforts to meet the earliest  
29 dates thereafter.

30 **5.1.2 Alternate Option.** If the dates designated by Interconnection Customer are  
31 acceptable to Transmission Provider, Transmission Provider shall so notify Interconnection  
32 Customer within thirty (30) Calendar Days, and shall assume responsibility for the design,  
33 procurement and construction of Transmission Provider's Interconnection Facilities by the  
34 designated dates. If Transmission Provider subsequently fails to complete Transmission  
35 Provider's Interconnection Facilities by the In-Service Date, to the extent necessary to provide  
36 back feed power; or fails to complete Network Upgrades by the Initial Synchronization Date to  
37 the extent necessary to allow for Trial Operation at full power output, unless other arrangements  
38 are made by the Parties for such Trial Operation; or fails to complete the Network Upgrades by  
39 the Commercial Operation Date, as such dates are reflected in Appendix B, Milestones;  
40 Transmission Provider shall pay Interconnection Customer liquidated damages in accordance  
41 with Article 5.3, Liquidated Damages, provided, however, the dates designated by  
42 Interconnection Customer shall be extended day for day for each day that the applicable RTO or  
43 ISO refuses to grant clearances to install equipment.

1           **5.1.3 Option to Build.** If the dates designated by Interconnection Customer are not  
2 acceptable to Transmission Provider, Transmission Provider shall so notify Interconnection  
3 Customer within thirty (30) Calendar Days, and unless the Parties agree otherwise,  
4 Interconnection Customer shall have the option to assume responsibility for the design,  
5 procurement and construction of Transmission Provider's Interconnection Facilities and Stand  
6 Alone Network Upgrades on the dates specified in Article 5.1.2. Transmission Provider and  
7 Interconnection Customer must agree as to what constitutes Stand Alone Network Upgrades and  
8 identify such Stand Alone Network Upgrades in Appendix A. Except for Stand Alone Network  
9 Upgrades, Interconnection Customer shall have no right to construct Network Upgrades under  
10 this option.

11           **5.1.4 Negotiated Option.** If Interconnection Customer elects not to exercise its option  
12 under Article 5.1.3, Option to Build, Interconnection Customer shall so notify Transmission  
13 Provider within thirty (30) Calendar Days, and the Parties shall in good faith attempt to negotiate  
14 terms and conditions (including revision of the specified dates and liquidated damages, the  
15 provision of incentives or the procurement and construction of a portion of Transmission  
16 Provider's Interconnection Facilities and Stand Alone Network Upgrades by Interconnection  
17 Customer) pursuant to which Transmission Provider is responsible for the design, procurement  
18 and construction of Transmission Provider's Interconnection Facilities and Network Upgrades. If  
19 the Parties are unable to reach agreement on such terms and conditions, Transmission Provider  
20 shall assume responsibility for the design, procurement and construction of Transmission  
21 Provider's Interconnection Facilities and Network Upgrades pursuant to 5.1.1, Standard Option.

22           **5.2 General Conditions Applicable to Option to Build.** If Interconnection Customer  
23 assumes responsibility for the design, procurement and construction of Transmission Provider's  
24 Interconnection Facilities and Stand Alone Network Upgrades,

25           (1) Interconnection Customer shall engineer, procure equipment, and construct Transmission  
26 Provider's Interconnection Facilities and Stand Alone Network Upgrades (or portions thereof)  
27 using Good Utility Practice and using standards and specifications provided in advance by  
28 Transmission Provider;

29           (2) Interconnection Customer's engineering, procurement and construction of Transmission  
30 Provider's Interconnection Facilities and Stand Alone Network Upgrades shall comply with all  
31 requirements of law to which Transmission Provider would be subject in the engineering,  
32 procurement or construction of Transmission Provider's Interconnection Facilities and Stand  
33 Alone Network Upgrades;

34           (3) Transmission Provider shall review and approve the engineering design, equipment  
35 acceptance tests, and the construction of Transmission Provider's Interconnection Facilities and  
36 Stand Alone Network Upgrades;

37           (4) Prior to commencement of construction, Interconnection Customer shall provide to  
38 Transmission Provider a schedule for construction of Transmission Provider's Interconnection  
39 Facilities and Stand Alone Network Upgrades, and shall promptly respond to requests for  
40 information from Transmission Provider;

41           (5) At any time during construction, Transmission Provider shall have the right to gain  
42 unrestricted access to Transmission Provider's Interconnection Facilities and Stand Alone  
43 Network Upgrades and to conduct inspections of the same;

1 (6) At any time during construction, should any phase of the engineering, equipment  
2 procurement, or construction of Transmission Provider's Interconnection Facilities and Stand  
3 Alone Network Upgrades not meet the standards and specifications provided by Transmission  
4 Provider, Interconnection Customer shall be obligated to remedy deficiencies in that portion of  
5 Transmission Provider's Interconnection Facilities and Stand Alone Network Upgrades;

6 (7) Interconnection Customer shall indemnify Transmission Provider for claims arising from  
7 Interconnection Customer's construction of Transmission Provider's Interconnection Facilities  
8 and Stand Alone Network Upgrades under the terms and procedures applicable to Article 18.1  
9 Indemnity;

10 (8) Interconnection Customer shall transfer control of Transmission Provider's  
11 Interconnection Facilities and Stand Alone Network Upgrades to Transmission Provider;

12 (9) Unless Parties otherwise agree, Interconnection Customer shall transfer ownership of  
13 Transmission Provider's Interconnection Facilities and Stand-Alone Network Upgrades to  
14 Transmission Provider;

15 (10) Transmission Provider shall approve and accept for operation and maintenance  
16 Transmission Provider's Interconnection Facilities and Stand Alone Network Upgrades to the  
17 extent engineered, procured, and constructed in accordance with this Article 5.2; and

18 (11) Interconnection Customer shall deliver to Transmission Provider "as-built" drawings,  
19 information, and any other documents that are reasonably required by Transmission Provider to  
20 assure that the Interconnection Facilities and Stand-Alone Network Upgrades are built to the  
21 standards and specifications required by Transmission Provider.

22 **5.3 Liquidated Damages.** The actual damages to Interconnection Customer, in the event  
23 Transmission Provider's Interconnection Facilities or Network Upgrades are not completed by  
24 the dates designated by Interconnection Customer and accepted by Transmission Provider  
25 pursuant to subparagraphs 5.1.2 or 5.1.4, above, may include Interconnection Customer's fixed  
26 operation and maintenance costs and lost opportunity costs. Such actual damages are uncertain  
27 and impossible to determine at this time. Because of such uncertainty, any liquidated damages  
28 paid by Transmission Provider to Interconnection Customer in the event that Transmission  
29 Provider does not complete any portion of Transmission Provider's Interconnection Facilities or  
30 Network Upgrades by the applicable dates, shall be an amount equal to 1/2 of 1 percent per day  
31 of the actual cost of Transmission Provider's Interconnection Facilities and Network Upgrades,  
32 in the aggregate, for which Transmission Provider has assumed responsibility to design, procure  
33 and construct.

34 However, in no event shall the total liquidated damages exceed 20 percent of the actual cost  
35 of Transmission Provider's Interconnection Facilities and Network Upgrades for which  
36 Transmission Provider has assumed responsibility to design, procure, and construct. The  
37 foregoing payments will be made by Transmission Provider to Interconnection Customer as just  
38 compensation for the damages caused to Interconnection Customer, which actual damages are  
39 uncertain and impossible to determine at this time, and as reasonable liquidated damages, but not  
40 as a penalty or a method to secure performance of this LGIA. Liquidated damages, when the  
41 Parties agree to them, are the exclusive remedy for the Transmission Provider's failure to meet its  
42 schedule.

1 No liquidated damages shall be paid to Interconnection Customer if: (1) Interconnection  
2 Customer is not ready to commence use of Transmission Provider's Interconnection Facilities or  
3 Network Upgrades to take the delivery of power for the Large Generating Facility's Trial  
4 Operation or to export power from the Large Generating Facility on the specified dates, unless  
5 Interconnection Customer would have been able to commence use of Transmission Provider's  
6 Interconnection Facilities or Network Upgrades to take the delivery of power for Large  
7 Generating Facility's Trial Operation or to export power from the Large Generating Facility, but  
8 for Transmission Provider's delay; (2) Transmission Provider's failure to meet the specified dates  
9 is the result of the action or inaction of Interconnection Customer or any other Interconnection  
10 Customer who has entered into an LGIA with Transmission Provider or any cause beyond  
11 Transmission Provider's reasonable control or reasonable ability to cure; (3) the Interconnection  
12 Customer has assumed responsibility for the design, procurement and construction of  
13 Transmission Provider's Interconnection Facilities and Stand Alone Network Upgrades; or (4)  
14 the Parties have otherwise agreed.

15 **5.4 Power System Stabilizers.** The Interconnection Customer shall procure, install, maintain  
16 and operate Power System Stabilizers in accordance with the guidelines and procedures  
17 established by the Applicable Reliability Council. Transmission Provider reserves the right to  
18 reasonably establish minimum acceptable settings for any installed Power System Stabilizers,  
19 subject to the design and operating limitations of the Large Generating Facility. If the Large  
20 Generating Facility's Power System Stabilizers are removed from service or not capable of  
21 automatic operation, Interconnection Customer shall immediately notify Transmission Provider's  
22 system operator, or its designated representative. The requirements of this paragraph shall not  
23 apply to wind generators.

24 **5.5 Equipment Procurement.** If responsibility for construction of Transmission Provider's  
25 Interconnection Facilities or Network Upgrades is to be borne by Transmission Provider, then  
26 Transmission Provider shall commence design of Transmission Provider's Interconnection  
27 Facilities or Network Upgrades and procure necessary equipment as soon as practicable after all  
28 of the following conditions are satisfied, unless the Parties otherwise agree in writing:

29 5.5.1 Transmission Provider has completed the Facilities Study pursuant to the Facilities  
30 Study Agreement;

31 5.5.2 Transmission Provider has received written authorization to proceed with design and  
32 procurement from Interconnection Customer by the date specified in Appendix B, Milestones;  
33 and

34 5.5.3 Interconnection Customer has provided security to Transmission Provider in  
35 accordance with Article 11.5 by the dates specified in Appendix B, Milestones.

36 **5.6 Construction Commencement.** Transmission Provider shall commence construction of  
37 Transmission Provider's Interconnection Facilities and Network Upgrades for which it is  
38 responsible as soon as practicable after the following additional conditions are satisfied:

39 5.6.1 Approval of the appropriate Governmental Authority has been obtained for any  
40 facilities requiring regulatory approval;

41 5.6.2 Necessary real property rights and rights-of-way have been obtained, to the extent  
42 required for the construction of a discrete aspect of Transmission Provider's Interconnection  
43 Facilities and Network Upgrades;



1 5.6.3 Transmission Provider has received written authorization to proceed with construction  
2 from Interconnection Customer by the date specified in Appendix B, Milestones; and

3 5.6.4 Interconnection Customer has provided security to Transmission Provider in  
4 accordance with Article 11.5 by the dates specified in Appendix B, Milestones.

5 **5.7 Work Progress.** The Parties will keep each other advised periodically as to the progress  
6 of their respective design, procurement and construction efforts. Either Party may, at any time,  
7 request a progress report from the other Party. If, at any time, Interconnection Customer  
8 determines that the completion of Transmission Provider's Interconnection Facilities will not be  
9 required until after the specified In-Service Date, Interconnection Customer will provide written  
10 notice to Transmission Provider of such later date upon which the completion of Transmission  
11 Provider's Interconnection Facilities will be required.

12 **5.8 Information Exchange.** As soon as reasonably practicable after the Effective Date, the  
13 Parties shall exchange information regarding the design and compatibility of the Parties'  
14 Interconnection Facilities and compatibility of the Interconnection Facilities with Transmission  
15 Provider's Transmission System, and shall work diligently and in good faith to make any  
16 necessary design changes.

17 **5.9 Limited Operation.** If any of Transmission Provider's Interconnection Facilities or  
18 Network Upgrades are not reasonably expected to be completed prior to the Commercial  
19 Operation Date of the Large Generating Facility, Transmission Provider shall, upon the request  
20 and at the expense of Interconnection Customer, perform operating studies on a timely basis to  
21 determine the extent to which the Large Generating Facility and Interconnection Customer's  
22 Interconnection Facilities may operate prior to the completion of Transmission Provider's  
23 Interconnection Facilities or Network Upgrades consistent with Applicable Laws and  
24 Regulations, Applicable Reliability Standards, Good Utility Practice, and this LGIA.  
25 Transmission Provider shall permit Interconnection Customer to operate the Large Generating  
26 Facility and Interconnection Customer's Interconnection Facilities in accordance with the results  
27 of such studies.

28 **5.10 Interconnection Customer's Interconnection Facilities ("ICIF").** Interconnection  
29 Customer shall, at its expense, design, procure, construct, own and install the ICIF, as set forth in  
30 Appendix A, Interconnection Facilities, Network Upgrades and Distribution Upgrades.

31 **5.10.1 Interconnection Customer's Interconnection Facility Specifications.**  
32 Interconnection Customer shall submit initial specifications for the ICIF, including System  
33 Protection Facilities, to Transmission Provider at least one hundred eighty (180) Calendar Days  
34 prior to the Initial Synchronization Date; and final specifications for review and comment at least  
35 ninety (90) Calendar Days prior to the Initial Synchronization Date. Transmission Provider shall  
36 review such specifications to ensure that the ICIF are compatible with the technical  
37 specifications, operational control, and safety requirements of Transmission Provider and  
38 comment on such specifications within thirty (30) Calendar Days of Interconnection Customer's  
39 submission. All specifications provided hereunder shall be deemed confidential.

40 **5.10.2 Transmission Provider's Review.** Transmission Provider's review of  
41 Interconnection Customer's final specifications shall not be construed as confirming, endorsing,  
42 or providing a warranty as to the design, fitness, safety, durability or reliability of the Large  
43 Generating Facility, or the ICIF. Interconnection Customer shall make such changes to the ICIF

1 as may reasonably be required by Transmission Provider, in accordance with Good Utility  
2 Practice, to ensure that the ICIF are compatible with the technical specifications, operational  
3 control, and safety requirements of Transmission Provider.

4 **5.10.3 ICIF Construction.** The ICIF shall be designed and constructed in accordance  
5 with Good Utility Practice. Within one hundred twenty (120) Calendar Days after the  
6 Commercial Operation Date, unless the Parties agree on another mutually acceptable deadline,  
7 Interconnection Customer shall deliver to Transmission Provider "as-built" drawings,  
8 information and documents for the ICIF, such as: A one-line diagram, a site plan showing the  
9 Large Generating Facility and the ICIF, plan and elevation drawings showing the layout of the  
10 ICIF, a relay functional diagram, relaying AC and DC schematic wiring diagrams and relay  
11 settings for all facilities associated with Interconnection Customer's step-up transformers, the  
12 facilities connecting the Large Generating Facility to the step-up transformers and the ICIF, and  
13 the impedances (determined by factory tests) for the associated step-up transformers and the  
14 Large Generating Facility. The Interconnection Customer shall provide Transmission Provider  
15 specifications for the excitation system, automatic voltage regulator, Large Generating Facility  
16 control and protection settings, transformer tap settings, and communications, if applicable.

17 **5.11 Transmission Provider's Interconnection Facilities Construction.**  
18 Transmission Provider's Interconnection Facilities shall be designed and constructed in  
19 accordance with Good Utility Practice. Upon request, within one hundred twenty (120) Calendar  
20 Days after the Commercial Operation Date, unless the Parties agree on another mutually  
21 acceptable deadline, Transmission Provider shall deliver to Interconnection Customer the  
22 following "as-built" drawings, information and documents for Transmission Provider's  
23 Interconnection Facilities: one-line diagrams, operating diagram, and interface junction box  
24 diagrams between the facilities.

25 Transmission Provider will obtain control of Transmission Provider's Interconnection  
26 Facilities and Stand Alone Network Upgrades upon completion of such facilities.

27 **5.12 Access Rights.** Upon reasonable notice and supervision by a Party, and subject to  
28 any required or necessary regulatory approvals, a Party ("Granting Party") shall furnish at no cost  
29 to the other Party ("Access Party") any rights of use, licenses, rights of way and easements with  
30 respect to lands owned or controlled by the Granting Party, its agents (if allowed under the  
31 applicable agency agreement), or any Affiliate, that are necessary to enable the Access Party to  
32 obtain ingress and egress to construct, operate, maintain, repair, test (or witness testing), inspect,  
33 replace or remove facilities and equipment to: (i) Interconnect the Large Generating Facility with  
34 the Transmission System; (ii) operate and maintain the Large Generating Facility, the  
35 Interconnection Facilities and the Transmission System; and (iii) disconnect or remove the  
36 Access Party's facilities and equipment upon termination of this LGIA. In exercising such  
37 licenses, rights of way and easements, the Access Party shall not unreasonably disrupt or  
38 interfere with normal operation of the Granting Party's business and shall adhere to the safety  
39 rules and procedures established in advance, as may be changed from time to time, by the  
40 Granting Party and provided to the Access Party.

41 **5.13 Lands of Other Property Owners.** If any part of Transmission Provider or  
42 Transmission Owner's Interconnection Facilities and/or Network Upgrades is to be installed on  
43 property owned by persons other than Interconnection Customer or Transmission Provider or  
44 Transmission Owner, Transmission Provider or Transmission Owner shall at Interconnection

1 Customer's expense use efforts, similar in nature and extent to those that it typically undertakes  
2 on its own behalf or on behalf of its Affiliates, including use of its eminent domain authority, and  
3 to the extent consistent with state law, to procure from such persons any rights of use, licenses,  
4 rights of way and easements that are necessary to construct, operate, maintain, test, inspect,  
5 replace or remove Transmission Provider or Transmission Owner's Interconnection Facilities  
6 and/or Network Upgrades upon such property.

7 **5.14 Permits.** Transmission Provider or Transmission Owner and Interconnection  
8 Customer shall cooperate with each other in good faith in obtaining all permits, licenses and  
9 authorizations that are necessary to accomplish the interconnection in compliance with  
10 Applicable Laws and Regulations. With respect to this paragraph, Transmission Provider or  
11 Transmission Owner shall provide permitting assistance to Interconnection Customer  
12 comparable to that provided to Transmission Provider's own, or an Affiliate's generation.

13 **5.15 Early Construction of Base Case Facilities.** Interconnection Customer may  
14 request Transmission Provider to construct, and Transmission Provider shall construct, using  
15 Reasonable Efforts to accommodate Interconnection Customer's In-Service Date, all or any  
16 portion of any Network Upgrades required for Interconnection Customer to be interconnected to  
17 the Transmission System which are included in the Base Case of the Facilities Study for  
18 Interconnection Customer, and which also are required to be constructed for another  
19 Interconnection Customer, but where such construction is not scheduled to be completed in time  
20 to achieve Interconnection Customer's In-Service Date.

21 **5.16 Suspension.** Interconnection Customer reserves the right, upon written notice to  
22 Transmission Provider, to suspend at any time all work by Transmission Provider associated  
23 with the construction and installation of Transmission Provider's Interconnection Facilities  
24 and/or Network Upgrades required under this LGIA with the condition that Transmission System  
25 shall be left in a safe and reliable condition in accordance with Good Utility Practice and  
26 Transmission Provider's safety and reliability criteria. In such event, Interconnection Customer  
27 shall be responsible for all reasonable and necessary costs which Transmission Provider (i) has  
28 incurred pursuant to this LGIA prior to the suspension and (ii) incurs in suspending such work,  
29 including any costs incurred to perform such work as may be necessary to ensure the safety of  
30 persons and property and the integrity of the Transmission System during such suspension and, if  
31 applicable, any costs incurred in connection with the cancellation or suspension of material,  
32 equipment and labor contracts which Transmission Provider cannot reasonably avoid; provided,  
33 however, that prior to canceling or suspending any such material, equipment or labor contract,  
34 Transmission Provider shall obtain Interconnection Customer's authorization to do so.

35 Transmission Provider shall invoice Interconnection Customer for such costs pursuant to  
36 Article 12 and shall use due diligence to minimize its costs. In the event Interconnection  
37 Customer suspends work by Transmission Provider required under this LGIA pursuant to this  
38 Article 5.16, and has not requested Transmission Provider to recommence the work required  
39 under this LGIA on or before the expiration of three (3) years following commencement of such  
40 suspension, this LGIA shall be deemed terminated. The three-year period shall begin on the date  
41 the suspension is requested, or the date of the written notice to Transmission Provider, if no  
42 effective date is specified.

1 **5.17 Taxes.**

2 **5.17.1 Interconnection Customer Payments Not Taxable.** The Parties intend that all  
3 payments or property transfers made by Interconnection Customer to Transmission Provider for  
4 the installation of Transmission Provider's Interconnection Facilities and the Network Upgrades  
5 shall be non-taxable, either as contributions to capital, or as an advance, in accordance with the  
6 Internal Revenue Code and any applicable state income tax laws and shall not be taxable as  
7 contributions in aid of construction or otherwise under the Internal Revenue Code and any  
8 applicable state income tax laws.

9 **5.17.2 Representations And Covenants.** In accordance with IRS Notice 2001-82 and  
10 IRS Notice 88-129, Interconnection Customer represents and covenants that (i) ownership of the  
11 electricity generated at the Large Generating Facility will pass to another party prior to the  
12 transmission of the electricity on the Transmission System, (ii) for income tax purposes, the  
13 amount of any payments and the cost of any property transferred to Transmission Provider for  
14 Transmission Provider's Interconnection Facilities will be capitalized by Interconnection  
15 Customer as an intangible asset and recovered using the straight-line method over a useful life of  
16 twenty (20) years, and (iii) any portion of Transmission Provider's Interconnection Facilities that  
17 is a "dual-use intertie," within the meaning of IRS Notice 88-129, is reasonably expected to carry  
18 only a *de minimis* amount of electricity in the direction of the Large Generating Facility. For this  
19 purpose, "*de minimis* amount" means no more than 5 percent of the total power flows in both  
20 directions, calculated in accordance with the "5 percent test" set forth in IRS Notice 88-129.  
21 This is not intended to be an exclusive list of the relevant conditions that must be met to conform  
22 to IRS requirements for non-taxable treatment.

23 At Transmission Provider's request, Interconnection Customer shall provide Transmission  
24 Provider with a report from an independent engineer confirming its representation in clause (iii),  
25 above. Transmission Provider represents and covenants that the cost of Transmission Provider's  
26 Interconnection Facilities paid for by Interconnection Customer will have no net effect on the  
27 base upon which rates are determined.

28 **5.17.3 Indemnification for the Cost Consequences of Current Tax Liability Imposed**  
29 **Upon the Transmission Provider.** Notwithstanding Article 5.17.1, Interconnection Customer  
30 shall protect, indemnify and hold harmless Transmission Provider from the cost consequences of  
31 any current tax liability imposed against Transmission Provider as the result of payments or  
32 property transfers made by Interconnection Customer to Transmission Provider under this LGIA  
33 for Interconnection Facilities, as well as any interest and penalties, other than interest and  
34 penalties attributable to any delay caused by Transmission Provider.

35 Transmission Provider shall not include a gross-up for the cost consequences of any current  
36 tax liability in the amounts it charges Interconnection Customer under this LGIA unless (i)  
37 Transmission Provider has determined, in good faith, that the payments or property transfers  
38 made by Interconnection Customer to Transmission Provider should be reported as income  
39 subject to taxation or (ii) any Governmental Authority directs Transmission Provider to report  
40 payments or property as income subject to taxation; *provided, however*, that Transmission  
41 Provider may require Interconnection Customer to provide security for Interconnection  
42 Facilities, in a form reasonably acceptable to Transmission Provider (such as a parental  
43 guarantee or a letter of credit), in an amount equal to the cost consequences of any current tax  
44 liability under this Article 5.17. Interconnection Customer shall reimburse Transmission Provider

1 for such costs on a fully grossed-up basis, in accordance with Article 5.17.4, within thirty (30)  
2 Calendar Days of receiving written notification from Transmission Provider of the amount due,  
3 including detail about how the amount was calculated. The indemnification obligation shall  
4 terminate at the earlier of (1) the expiration of the ten year testing period and the applicable  
5 statute of limitation, as it may be extended by Transmission Provider upon request of the IRS, to  
6 keep these years open for audit or adjustment, or (2) the occurrence of a subsequent taxable  
7 event and the payment of any related indemnification obligations as contemplated by this Article  
8 5.17.

9 **5.17.4 Tax Gross-Up Amount.** Interconnection Customer's liability for the cost  
10 consequences of any current tax liability under this Article 5.17 shall be calculated on a fully  
11 grossed-up basis. Except as may otherwise be agreed to by the parties, this means that  
12 Interconnection Customer will pay Transmission Provider, in addition to the amount paid for the  
13 Interconnection Facilities and Network Upgrades, an amount equal to (1) the current taxes  
14 imposed on Transmission Provider ("Current Taxes") on the excess of (a) the gross income  
15 realized by Transmission Provider as a result of payments or property transfers made by  
16 Interconnection Customer to Transmission Provider under this LGIA (without regard to any  
17 payments under this Article 5.17) (the "Gross Income Amount") over (b) the present value of  
18 future tax deductions for depreciation that will be available as a result of such payments or  
19 property transfers (the "Present Value Depreciation Amount"), plus (2) an additional amount  
20 sufficient to permit Transmission Provider to receive and retain, after the payment of all Current  
21 Taxes, an amount equal to the net amount described in clause (1).

22 For this purpose, (i) Current Taxes shall be computed based on Transmission Provider's  
23 composite federal and state tax rates at the time the payments or property transfers are received  
24 and Transmission Provider will be treated as being subject to tax at the highest marginal rates in  
25 effect at that time (the "Current Tax Rate"), and (ii) the Present Value Depreciation Amount shall  
26 be computed by discounting Transmission Provider's anticipated tax depreciation deductions as a  
27 result of such payments or property transfers by Transmission Provider's current weighted  
28 average cost of capital. Thus, the formula for calculating Interconnection Customer's liability to  
29 Transmission Owner pursuant to this Article 5.17.4 can be expressed as follows: (Current Tax  
30 Rate x (Gross Income Amount- Present Value of Tax Depreciation))/(1-Current Tax Rate).  
31 Interconnection Customer's estimated tax liability in the event taxes are imposed shall be stated  
32 in Appendix A, Interconnection Facilities, Network Upgrades and Distribution Upgrades.

33 **5.17.5 Private Letter Ruling or Change or Clarification of Law.** At Interconnection  
34 Customer's request and expense, Transmission Provider shall file with the IRS a request for a  
35 private letter ruling as to whether any property transferred or sums paid, or to be paid, by  
36 Interconnection Customer to Transmission Provider under this LGIA are subject to federal  
37 income taxation. Interconnection Customer will prepare the initial draft of the request for a  
38 private letter ruling, and will certify under penalties of perjury that all facts represented in such  
39 request are true and accurate to the best of Interconnection Customer's knowledge. Transmission  
40 Provider and Interconnection Customer shall cooperate in good faith with respect to the  
41 submission of such request.

42 Transmission Provider shall keep Interconnection Customer fully informed of the status of  
43 such request for a private letter ruling and shall execute either a privacy act waiver or a limited  
44 power of attorney, in a form acceptable to the IRS, that authorizes Interconnection Customer to  
45 participate in all discussions with the IRS regarding such request for a private letter ruling.

1 Transmission Provider shall allow Interconnection Customer to attend all meetings with IRS  
2 officials about the request and shall permit Interconnection Customer to prepare the initial drafts  
3 of any follow-up letters in connection with the request.

4 **5.17.6 Subsequent Taxable Events.** If, within 10 years from the date on which the  
5 relevant Transmission Provider's Interconnection Facilities are placed in service, (i)  
6 Interconnection Customer Breaches the covenants contained in Article 5.17.2, (ii) a  
7 "disqualification event" occurs within the meaning of IRS Notice 88-129, or (iii) this LGIA  
8 terminates and Transmission Provider retains ownership of the Interconnection Facilities and  
9 Network Upgrades, Interconnection Customer shall pay a tax gross-up for the cost consequences  
10 of any current tax liability imposed on Transmission Provider, calculated using the methodology  
11 described in Article 5.17.4 and in accordance with IRS Notice 90-60.

12 **5.17.7 Contests.** In the event any Governmental Authority determines that Transmission  
13 Provider's receipt of payments or property constitutes income that is subject to taxation,  
14 Transmission Provider shall notify Interconnection Customer, in writing, within thirty (30)  
15 Calendar Days of receiving notification of such determination by a Governmental Authority.  
16 Upon the timely written request by Interconnection Customer and at Interconnection Customer's  
17 sole expense, Transmission Provider may appeal, protest, seek abatement of, or otherwise oppose  
18 such determination. Upon Interconnection Customer's written request and sole expense,  
19 Transmission Provider may file a claim for refund with respect to any taxes paid under this  
20 Article 5.17, whether or not it has received such a determination. Transmission Provider  
21 reserves the right to make all decisions with regard to the prosecution of such appeal, protest,  
22 abatement or other contest, including the selection of counsel and compromise or settlement of  
23 the claim, but Transmission Provider shall keep Interconnection Customer informed, shall  
24 consider in good faith suggestions from Interconnection Customer about the conduct of the  
25 contest, and shall reasonably permit Interconnection Customer or an Interconnection Customer  
26 representative to attend contest proceedings.

27 Interconnection Customer shall pay to Transmission Provider on a periodic basis, as invoiced  
28 by Transmission Provider, Transmission Provider's documented reasonable costs of prosecuting  
29 such appeal, protest, abatement or other contest. At any time during the contest, Transmission  
30 Provider may agree to a settlement either with Interconnection Customer's consent or after  
31 obtaining written advice from nationally-recognized tax counsel, selected by Transmission  
32 Provider, but reasonably acceptable to Interconnection Customer, that the proposed settlement  
33 represents a reasonable settlement given the hazards of litigation. Interconnection Customer's  
34 obligation shall be based on the amount of the settlement agreed to by Interconnection Customer,  
35 or if a higher amount, so much of the settlement that is supported by the written advice from  
36 nationally-recognized tax counsel selected under the terms of the preceding sentence. The  
37 settlement amount shall be calculated on a fully grossed-up basis to cover any related cost  
38 consequences of the current tax liability. Any settlement without Interconnection Customer's  
39 consent or such written advice will relieve Interconnection Customer from any obligation to  
40 indemnify Transmission Provider for the tax at issue in the contest.

41 **5.17.8 Refund.** In the event that (a) a private letter ruling is issued to Transmission  
42 Provider which holds that any amount paid or the value of any property transferred by  
43 Interconnection Customer to Transmission Provider under the terms of this LGIA is not subject  
44 to federal income taxation, (b) any legislative change or administrative announcement, notice,  
45 ruling or other determination makes it reasonably clear to Transmission Provider in good faith

1 that any amount paid or the value of any property transferred by Interconnection Customer to  
2 Transmission Provider under the terms of this LGIA is not taxable to Transmission Provider, (c)  
3 any abatement, appeal, protest, or other contest results in a determination that any payments or  
4 transfers made by Interconnection Customer to Transmission Provider are not subject to federal  
5 income tax, or (d) if Transmission Provider receives a refund from any taxing authority for any  
6 overpayment of tax attributable to any payment or property transfer made by Interconnection  
7 Customer to Transmission Provider pursuant to this LGIA, Transmission Provider shall promptly  
8 refund to Interconnection Customer the following:

9 (i) Any payment made by Interconnection Customer under this Article 5.17 for taxes that is  
10 attributable to the amount determined to be non-taxable, together with interest thereon,

11 (ii) Interest on any amounts paid by Interconnection Customer to Transmission Provider for  
12 such taxes which Transmission Provider did not submit to the taxing authority, calculated in  
13 accordance with the methodology set forth in FERC's regulations at 18 CFR 35.19a(a)(2)(iii)  
14 from the date payment was made by Interconnection Customer to the date Transmission Provider  
15 refunds such payment to Interconnection Customer, and

16 (iii) With respect to any such taxes paid by Transmission Provider, any refund or credit  
17 Transmission Provider receives or to which it may be entitled from any Governmental Authority,  
18 interest (or that portion thereof attributable to the payment described in clause (i), above) owed  
19 to Transmission Provider for such overpayment of taxes (including any reduction in interest  
20 otherwise payable by Transmission Provider to any Governmental Authority resulting from an  
21 offset or credit); *provided, however*, that Transmission Provider will remit such amount promptly  
22 to Interconnection Customer only after and to the extent that Transmission Provider has received  
23 a tax refund, credit or offset from any Governmental Authority for any applicable overpayment  
24 of income tax related to Transmission Provider's Interconnection Facilities.

25 The intent of this provision is to leave the Parties, to the extent practicable, in the event that  
26 no taxes are due with respect to any payment for Interconnection Facilities and Network  
27 Upgrades hereunder, in the same position they would have been in had no such tax payments  
28 been made.

29 **5.17.9 Taxes Other Than Income Taxes.** Upon the timely request by Interconnection  
30 Customer, and at Interconnection Customer's sole expense, Transmission Provider may appeal,  
31 protest, seek abatement of, or otherwise contest any tax (other than federal or state income tax)  
32 asserted or assessed against Transmission Provider for which Interconnection Customer may be  
33 required to reimburse Transmission Provider under the terms of this LGIA.

34 Interconnection Customer shall pay to Transmission Provider on a periodic basis, as invoiced  
35 by Transmission Provider, Transmission Provider's documented reasonable costs of prosecuting  
36 such appeal, protest, abatement, or other contest. Interconnection Customer and Transmission  
37 Provider shall cooperate in good faith with respect to any such contest. Unless the payment of  
38 such taxes is a prerequisite to an appeal or abatement or cannot be deferred, no amount shall be  
39 payable by Interconnection Customer to Transmission Provider for such taxes until they are  
40 assessed by a final, non-appealable order by any court or agency of competent jurisdiction. In  
41 the event that a tax payment is withheld and ultimately due and payable after appeal,  
42 Interconnection Customer will be responsible for all taxes, interest and penalties, other than  
43 penalties attributable to any delay caused by Transmission Provider.

1       **5.17.10 Transmission Owners Who Are Not Transmission Providers.** If Transmission  
2 Provider is not the same entity as the Transmission Owner, then (i) all references in this Article  
3 5.17 to Transmission Provider shall be deemed also to refer to and to include the Transmission  
4 Owner, as appropriate, and (ii) this LGIA shall not become effective until such Transmission  
5 Owner shall have agreed in writing to assume all of the duties and obligations of Transmission  
6 Provider under this Article 5.17 of this LGIA.

7       **5.18 Tax Status.** Each Party shall cooperate with the other to maintain the other  
8 Party's tax status. Nothing in this LGIA is intended to adversely affect any Transmission  
9 Provider's tax exempt status with respect to the issuance of bonds including, but not limited to,  
10 Local Furnishing Bonds.

11       **5.19 Modification.**

12       **5.19.1 General.** Either Party may undertake modifications to its facilities. If a Party  
13 plans to undertake a modification that reasonably may be expected to affect the other Party's  
14 facilities, that Party shall provide to the other Party sufficient information regarding such  
15 modification so that the other Party may evaluate the potential impact of such modification prior  
16 to commencement of the work. Such information shall be deemed to be confidential hereunder  
17 and shall include information concerning the timing of such modifications and whether such  
18 modifications are expected to interrupt the flow of electricity from the Large Generating Facility.  
19 The Party desiring to perform such work shall provide the relevant drawings, plans, and  
20 specifications to the other Party at least ninety (90) Calendar Days in advance of the  
21 commencement of the work or such shorter period upon which the Parties may agree, which  
22 agreement shall not unreasonably be withheld, conditioned or delayed.

23       In the case of Large Generating Facility modifications that do not require Interconnection  
24 Customer to submit an Interconnection Request, Transmission Provider shall provide, within  
25 thirty (30) Calendar Days (or such other time as the Parties may agree), an estimate of any  
26 additional modifications to the Transmission System, Transmission Provider's Interconnection  
27 Facilities or Network Upgrades necessitated by such Interconnection Customer modification and  
28 a good faith estimate of the costs thereof.

29       **5.19.2 Standards.** Any additions, modifications, or replacements made to a Party's  
30 facilities shall be designed, constructed and operated in accordance with this LGIA and Good  
31 Utility Practice.

32       **5.19.3 Modification Costs.** Interconnection Customer shall not be directly assigned for  
33 the costs of any additions, modifications, or replacements that Transmission Provider makes to  
34 Transmission Provider's Interconnection Facilities or the Transmission System to facilitate the  
35 interconnection of a third party to Transmission Provider's Interconnection Facilities or the  
36 Transmission System, or to provide transmission service to a third party under Transmission  
37 Provider's Tariff. Interconnection Customer shall be responsible for the costs of any additions,  
38 modifications, or replacements to Interconnection Customer's Interconnection Facilities that may  
39 be necessary to maintain or upgrade such Interconnection Customer's Interconnection Facilities  
40 consistent with Applicable Laws and Regulations, Applicable Reliability Standards or Good  
41 Utility Practice.



1 **ARTICLE 6. TESTING AND INSPECTION**

2 **6.1 Pre-Commercial Operation Date Testing and Modifications.** Prior to the Commercial  
3 Operation Date, Transmission Provider shall test Transmission Provider's Interconnection  
4 Facilities and Network Upgrades and Interconnection Customer shall test the Large Generating  
5 Facility and Interconnection Customer's Interconnection Facilities to ensure their safe and  
6 reliable operation. Similar testing may be required after initial operation. Each Party shall make  
7 any modifications to its facilities that are found to be necessary as a result of such testing.  
8 Interconnection Customer shall bear the cost of all such testing and modifications.  
9 Interconnection Customer shall generate test energy at the Large Generating Facility only if it  
10 has arranged for the delivery of such test energy.

11 **6.2 Post-Commercial Operation Date Testing and Modifications.** Each Party shall at its  
12 own expense perform routine inspection and testing of its facilities and equipment in accordance  
13 with Good Utility Practice as may be necessary to ensure the continued interconnection of the  
14 Large Generating Facility with the Transmission System in a safe and reliable manner. Each  
15 Party shall have the right, upon advance written notice, to require reasonable additional testing of  
16 the other Party's facilities, at the requesting Party's expense, as may be in accordance with Good  
17 Utility Practice.

18 **6.3 Right to Observe Testing.** Each Party shall notify the other Party in advance of its  
19 performance of tests of its Interconnection Facilities. The other Party has the right, at its own  
20 expense, to observe such testing.

21 **6.4 Right to Inspect.** Each Party shall have the right, but shall have no obligation to: (i)  
22 Observe the other Party's tests and/or inspection of any of its System Protection Facilities and  
23 other protective equipment, including Power System Stabilizers; (ii) review the settings of the  
24 other Party's System Protection Facilities and other protective equipment; and (iii) review the  
25 other Party's maintenance records relative to the Interconnection Facilities, the System Protection  
26 Facilities and other protective equipment. A Party may exercise these rights from time to time as  
27 it deems necessary upon reasonable notice to the other Party. The exercise or non-exercise by a  
28 Party of any such rights shall not be construed as an endorsement or confirmation of any element  
29 or condition of the Interconnection Facilities or the System Protection Facilities or other  
30 protective equipment or the operation thereof, or as a warranty as to the fitness, safety,  
31 desirability, or reliability of same. Any information that a Party obtains through the exercise of  
32 any of its rights under this Article 6.4 shall be deemed to be Confidential Information and treated  
33 pursuant to Article 22 of this LGIA.

34 **ARTICLE 7. METERING**

35 **7.1 General.** Each Party shall comply with the Applicable Reliability Council requirements.  
36 Unless otherwise agreed by the Parties, Transmission Provider shall install Metering Equipment  
37 at the Point of Interconnection prior to any operation of the Large Generating Facility and shall  
38 own, operate, test and maintain such Metering Equipment. Power flows to and from the Large  
39 Generating Facility shall be measured at or, at Transmission Provider's option, compensated to,  
40 the Point of Interconnection. Transmission Provider shall provide metering quantities, in analog  
41 and/or digital form, to Interconnection Customer upon request. Interconnection Customer shall

1 bear all reasonable documented costs associated with the purchase, installation, operation, testing  
2 and maintenance of the Metering Equipment.

3 **7.2 Check Meters.** Interconnection Customer, at its option and expense, may install and  
4 operate, on its premises and on its side of the Point of Interconnection, one or more check meters  
5 to check Transmission Provider's meters. Such check meters shall be for check purposes only  
6 and shall not be used for the measurement of power flows for purposes of this LGIA, except as  
7 provided in Article 7.4 below. The check meters shall be subject at all reasonable times to  
8 inspection and examination by Transmission Provider or its designee. The installation, operation  
9 and maintenance thereof shall be performed entirely by Interconnection Customer in accordance  
10 with Good Utility Practice.

11 **7.3 Standards.** Transmission Provider shall install, calibrate, and test revenue quality  
12 Metering Equipment in accordance with applicable ANSI standards.

13 **7.4 Testing of Metering Equipment.** Transmission Provider shall inspect and test all  
14 Transmission Provider-owned Metering Equipment upon installation and at least once every two  
15 (2) years thereafter. If requested to do so by Interconnection Customer, Transmission Provider  
16 shall, at Interconnection Customer's expense, inspect or test Metering Equipment more  
17 frequently than every two (2) years. Transmission Provider shall give reasonable notice of the  
18 time when any inspection or test shall take place, and Interconnection Customer may have  
19 representatives present at the test or inspection. If at any time Metering Equipment is found to  
20 be inaccurate or defective, it shall be adjusted, repaired or replaced at Interconnection Customer's  
21 expense, in order to provide accurate metering, unless the inaccuracy or defect is due to  
22 Transmission Provider's failure to maintain, then Transmission Provider shall pay. If Metering  
23 Equipment fails to register, or if the measurement made by Metering Equipment during a test  
24 varies by more than two percent from the measurement made by the standard meter used in the  
25 test, Transmission Provider shall adjust the measurements by correcting all measurements for the  
26 period during which Metering Equipment was in error by using Interconnection Customer's  
27 check meters, if installed. If no such check meters are installed or if the period cannot be  
28 reasonably ascertained, the adjustment shall be for the period immediately preceding the test of  
29 the Metering Equipment equal to one-half the time from the date of the last previous test of the  
30 Metering Equipment.

31 **7.5 Metering Data.** At Interconnection Customer's expense, the metered data shall be  
32 telemetered to one or more locations designated by Transmission Provider and one or more  
33 locations designated by Interconnection Customer. Such telemetered data shall be used, under  
34 normal operating conditions, as the official measurement of the amount of energy delivered from  
35 the Large Generating Facility to the Point of Interconnection.

## 36 **ARTICLE 8. COMMUNICATIONS**

37 **8.1 Interconnection Customer Obligations.** Interconnection Customer shall maintain  
38 satisfactory operating communications with Transmission Provider's Transmission System  
39 dispatcher or representative designated by Transmission Provider. Interconnection Customer  
40 shall provide standard voice line, dedicated voice line and facsimile communications at its Large  
41 Generating Facility control room or central dispatch facility through use of either the public  
42 telephone system, or a voice communications system that does not rely on the public telephone  
43 system. Interconnection Customer shall also provide the dedicated data circuit(s) necessary to

1 provide Interconnection Customer data to Transmission Provider as set forth in Appendix D,  
2 Security Arrangements Details. The data circuit(s) shall extend from the Large Generating  
3 Facility to the location(s) specified by Transmission Provider. Any required maintenance of  
4 such communications equipment shall be performed by Interconnection Customer. Operational  
5 communications shall be activated and maintained under, but not be limited to, the following  
6 events: System paralleling or separation, scheduled and unscheduled shutdowns, equipment  
7 clearances, and hourly and daily load data.

8 **8.2 Remote Terminal Unit.** Prior to the Initial Synchronization Date of the Large  
9 Generating Facility, a Remote Terminal Unit, or equivalent data collection and transfer  
10 equipment acceptable to the Parties, shall be installed by Interconnection Customer, or by  
11 Transmission Provider at Interconnection Customer's expense, to gather accumulated and  
12 instantaneous data to be telemetered to the location(s) designated by Transmission Provider  
13 through use of a dedicated point-to-point data circuit(s) as indicated in Article 8.1. The  
14 communication protocol for the data circuit(s) shall be specified by Transmission Provider.  
15 Instantaneous bi-directional analog real power and reactive power flow information must be  
16 telemetered directly to the location(s) specified by Transmission Provider.

17 Each Party will promptly advise the other Party if it detects or otherwise learns of any  
18 metering, telemetry or communications equipment errors or malfunctions that require the  
19 attention and/or correction by the other Party. The Party owning such equipment shall correct  
20 such error or malfunction as soon as reasonably feasible.

21 **8.3 No Annexation.** Any and all equipment placed on the premises of a Party shall be and  
22 remain the property of the Party providing such equipment regardless of the mode and manner of  
23 annexation or attachment to real property, unless otherwise mutually agreed by the Parties.

## 24 **ARTICLE 9. OPERATIONS**

25 **9.1 General.** Each Party shall comply with the Applicable Reliability Council requirements.  
26 Each Party shall provide to the other Party all information that may reasonably be required by the  
27 other Party to comply with Applicable Laws and Regulations and Applicable Reliability  
28 Standards. The Transmission Provider will use the regional reliability criteria developed and  
29 implemented by the Florida Reliability Coordinating Council.

30 **9.2 Control Area Notification.** At least three months before Initial Synchronization Date,  
31 Interconnection Customer shall notify Transmission Provider in writing of the Control Area in  
32 which the Large Generating Facility will be located. If Interconnection Customer elects to locate  
33 the Large Generating Facility in a Control Area other than the Control Area in which the Large  
34 Generating Facility is physically located, and if permitted to do so by the relevant transmission  
35 tariffs, all necessary arrangements, including but not limited to those set forth in Article 7 and  
36 Article 8 of this LGIA, and remote Control Area generator interchange agreements, if applicable,  
37 and the appropriate measures under such agreements, shall be executed and implemented prior to  
38 the placement of the Large Generating Facility in the other Control Area.

39 **9.3 Transmission Provider Obligations.** Transmission Provider shall cause the  
40 Transmission System and Transmission Provider's Interconnection Facilities to be operated,  
41 maintained and controlled in a safe and reliable manner and in accordance with this LGIA.  
42 Transmission Provider may provide operating instructions to Interconnection Customer

1 consistent with this LGIA and Transmission Provider's operating protocols and procedures as  
2 they may change from time to time. Transmission Provider will consider changes to its  
3 operating protocols and procedures proposed by Interconnection Customer.

4 **9.4 Interconnection Customer Obligations.** Interconnection Customer shall at its  
5 own expense operate, maintain and control the Large Generating Facility and Interconnection  
6 Customer's Interconnection Facilities in a safe and reliable manner and in accordance with this  
7 LGIA. Interconnection Customer shall operate the Large Generating Facility and  
8 Interconnection Customer's Interconnection Facilities in accordance with all applicable  
9 requirements of the Control Area of which it is part, as such requirements are set forth in  
10 Appendix C, Interconnection Details, of this LGIA. Appendix C, Interconnection Details, will  
11 be modified to reflect changes to the requirements as they may change from time to time. Either  
12 Party may request that the other Party provide copies of the requirements set forth in Appendix  
13 C, Interconnection Details, of this LGIA.

14 **9.5 Start-Up and Synchronization.** Consistent with the Parties' mutually acceptable  
15 procedures, Interconnection Customer is responsible for the proper synchronization of the Large  
16 Generating Facility to Transmission Provider's Transmission System.

17 **9.6 Reactive Power.**

18 **9.6.1 Power Factor Design Criteria.** Interconnection Customer shall design the Large  
19 Generating Facility to the Reactive Power Design Standards set forth in section 9.6.1.1. The  
20 requirements of this paragraph shall not apply to wind generators.

21 **9.6.1.1 Reactive Power Design Standards.** The Large Generating Facility power factor  
22 design limitation minimum requirement for a Unit operated in excess of 1500 hours per year  
23 shall be a reactive power capability sufficient to maintain a composite power delivery at the  
24 Point of Interconnection at a power factor of:

- 25 1. 0.95 leading when the Large Generating Facility is operating up to its maximum  
26 designed MW output and the voltage at the Point of Interconnection is in the range of  
27 103%-107% of the nominal voltage specified in Appendix C; and
- 28 2. 0.90 lagging when the Large Generating Facility is operating up to its maximum  
29 designed MW output and the voltage at the Point of Interconnection is in the range of  
30 95%-103% of the nominal voltage specified in Appendix C.

31 The Large Generating Facility power factor design limitation minimum requirement for a  
32 Unit operated less than 1500 hours per year shall be a reactive power capability sufficient  
33 to maintain a composite power delivery at the Point of Interconnection at a power factor of:

- 34 1. 1.00 when the Large Generating Facility is operating up to its maximum designed MW  
35 output and the voltage at the Point of Interconnection is in the range of 103%-107% of  
36 the nominal voltage specified in Appendix C; and
- 37 2. 0.90 lagging when the Large Generating Facility is operating up to its maximum  
38 designed MW output and the voltage at the Point of Interconnection is in the range of  
39 95%-103% of the nominal voltage specified in Appendix C.

40 **9.6.2 Voltage Schedules.** Once Interconnection Customer has synchronized the Large  
41 Generating Facility with the Transmission System, Transmission Provider shall require  
42 Interconnection Customer to operate the Large Generating Facility to produce or absorb reactive

1 power within the design limitations of the Large Generating Facility set forth in Article 9.6.1  
2 (Power Factor Design Criteria). Transmission Provider's voltage schedules shall treat all sources  
3 of reactive power in the Control Area in an equitable and not unduly discriminatory manner.  
4 Transmission Provider shall exercise Reasonable Efforts to provide Interconnection Customer  
5 with such schedules at least one (1) day in advance, and may make changes to such schedules as  
6 necessary to maintain the reliability of the Transmission System. Interconnection Customer shall  
7 operate the Large Generating Facility to maintain the specified output voltage or power factor at  
8 the Point of Interconnection within the design limitations of the Large Generating Facility set  
9 forth in Article 9.6.1 (Power Factor Design Criteria). If Interconnection Customer is unable to  
10 maintain the specified voltage or power factor, it shall promptly notify the System Operator.

11 **9.6.2.1 Governors and Regulators.** Whenever the Large Generating Facility is operated  
12 in parallel with the Transmission System and the speed governors (if installed on the generating  
13 unit pursuant to Good Utility Practice) and voltage regulators are capable of operation,  
14 Interconnection Customer shall operate the Large Generating Facility with its speed governors  
15 and voltage regulators in automatic operation. If the Large Generating Facility's speed governors  
16 and voltage regulators are not capable of such automatic operation, Interconnection Customer  
17 shall immediately notify Transmission Provider's system operator, or its designated  
18 representative, and ensure that such Large Generating Facility's reactive power production or  
19 absorption (measured in MVARs) are within the design capability of the Large Generating  
20 Facility's generating unit(s) and steady state stability limits. Interconnection Customer shall not  
21 cause its Large Generating Facility to disconnect automatically or instantaneously from the  
22 Transmission System or trip any generating unit comprising the Large Generating Facility for an  
23 under or over frequency condition unless the abnormal frequency condition persists for a time  
24 period beyond the limits set forth in ANSI/IEEE Standard C37.106, or such other standard as  
25 applied to other generators in the Control Area on a comparable basis.

26 **9.6.3 Payment for Reactive Power.** Transmission Provider is required to pay  
27 Interconnection Customer for reactive power that Interconnection Customer provides or absorbs  
28 from the Large Generating Facility when Transmission Provider requests Interconnection  
29 Customer to operate its Large Generating Facility outside the range specified in Article 9.6.1,  
30 provided that if Transmission Provider pays its own or affiliated generators for reactive power  
31 service within the specified range, it must also pay Interconnection Customer. Payments shall be  
32 pursuant to Article 11.6 or such other agreement to which the Parties have otherwise agreed.

## 33 **9.7 Outages and Interruptions.**

### 34 **9.7.1 Outages.**

35 **9.7.1.1 Outage Authority and Coordination.** Each Party may in accordance with Good  
36 Utility Practice in coordination with the other Party remove from service any of its respective  
37 Interconnection Facilities or Network Upgrades that may impact the other Party's facilities as  
38 necessary to perform maintenance or testing or to install or replace equipment. Absent an  
39 Emergency Condition, the Party scheduling a removal of such facility(ies) from service will use  
40 Reasonable Efforts to schedule such removal on a date and time mutually acceptable to the  
41 Parties. In all circumstances, any Party planning to remove such facility(ies) from service shall  
42 use Reasonable Efforts to minimize the effect on the other Party of such removal.

43 **9.7.1.2 Outage Schedules.** Transmission Provider shall post scheduled outages of its  
44 transmission facilities on the OASIS. Interconnection Customer shall submit its planned

1 maintenance schedules for the Large Generating Facility to Transmission Provider for a  
2 minimum of a rolling twenty-four month period. Interconnection Customer shall update its  
3 planned maintenance schedules as necessary. Transmission Provider may request  
4 Interconnection Customer to reschedule its maintenance as necessary to maintain the reliability  
5 of the Transmission System; provided, however, adequacy of generation supply shall not be a  
6 criterion in determining Transmission System reliability. Transmission Provider shall  
7 compensate Interconnection Customer for any additional direct costs that Interconnection  
8 Customer incurs as a result of having to reschedule maintenance, including any additional  
9 overtime, breaking of maintenance contracts or other costs above and beyond the cost  
10 Interconnection Customer would have incurred absent Transmission Provider's request to  
11 reschedule maintenance. Interconnection Customer will not be eligible to receive compensation,  
12 if during the twelve (12) months prior to the date of the scheduled maintenance, Interconnection  
13 Customer had modified its schedule of maintenance activities.

14 **9.7.1.3 Outage Restoration.** If an outage on a Party's Interconnection Facilities or  
15 Network Upgrades adversely affects the other Party's operations or facilities, the Party that owns  
16 or controls the facility that is out of service shall use Reasonable Efforts to promptly restore such  
17 facility(ies) to a normal operating condition consistent with the nature of the outage. The Party  
18 that owns or controls the facility that is out of service shall provide the other Party, to the extent  
19 such information is known, information on the nature of the Emergency Condition, an estimated  
20 time of restoration, and any corrective actions required. Initial verbal notice shall be followed up  
21 as soon as practicable with written notice explaining the nature of the outage.

22 **9.7.2 Interruption of Service.** If required by Good Utility Practice to do so,  
23 Transmission Provider may require Interconnection Customer to interrupt or reduce deliveries of  
24 electricity if such delivery of electricity could adversely affect Transmission Provider's ability to  
25 perform such activities as are necessary to safely and reliably operate and maintain the  
26 Transmission System. The following provisions shall apply to any interruption or reduction  
27 permitted under this Article 9.7.2:

28 9.7.2.1 The interruption or reduction shall continue only for so long as reasonably necessary  
29 under Good Utility Practice;

30 9.7.2.2 Any such interruption or reduction shall be made on an equitable, non-discriminatory  
31 basis with respect to all generating facilities directly connected to the Transmission System;

32 9.7.2.3 When the interruption or reduction must be made under circumstances which do not  
33 allow for advance notice, Transmission Provider shall notify Interconnection Customer by  
34 telephone as soon as practicable of the reasons for the curtailment, interruption, or reduction,  
35 and, if known, its expected duration. Telephone notification shall be followed by written  
36 notification as soon as practicable;

37 9.7.2.4 Except during the existence of an Emergency Condition, when the interruption or  
38 reduction can be scheduled without advance notice, Transmission Provider shall notify  
39 Interconnection Customer in advance regarding the timing of such scheduling and further notify  
40 Interconnection Customer of the expected duration. Transmission Provider shall coordinate with  
41 Interconnection Customer using Good Utility Practice to schedule the interruption or reduction  
42 during periods of least impact to Interconnection Customer and Transmission Provider;

1 9.7.2.5 The Parties shall cooperate and coordinate with each other to the extent necessary in  
2 order to restore the Large Generating Facility, Interconnection Facilities, and the Transmission  
3 System to their normal operating state, consistent with system conditions and Good Utility  
4 Practice.

5 **9.7.3 Under-Frequency and Over Frequency Conditions.** The Transmission System  
6 is designed to automatically activate a load-shed program as required by the Applicable  
7 Reliability Council in the event of an under-frequency system disturbance. Interconnection  
8 Customer shall implement under-frequency and over-frequency relay set points for the Large  
9 Generating Facility as required by the Applicable Reliability Council to ensure "ride through"  
10 capability of the Transmission System. Large Generating Facility response to frequency  
11 deviations of pre-determined magnitudes, both under-frequency and over-frequency deviations,  
12 shall be studied and coordinated with Transmission Provider in accordance with Good Utility  
13 Practice. The term "ride through" as used herein shall mean the ability of a Generating Facility  
14 to stay connected to and synchronized with the Transmission System during system disturbances  
15 within a range of under-frequency and over-frequency conditions, in accordance with Good  
16 Utility Practice.

17 **9.7.4 System Protection and Other Control Requirements.**

18 **9.7.4.1 System Protection Facilities.** Interconnection Customer shall, at its expense,  
19 install, operate and maintain System Protection Facilities as a part of the Large Generating  
20 Facility or Interconnection Customer's Interconnection Facilities. Transmission Provider shall  
21 install at Interconnection Customer's expense any System Protection Facilities that may be  
22 required on Transmission Provider's Interconnection Facilities or the Transmission System as a  
23 result of the interconnection of the Large Generating Facility and Interconnection Customer's  
24 Interconnection Facilities.

25 9.7.4.2 Each Party's protection facilities shall be designed and coordinated with other systems  
26 in accordance with Good Utility Practice.

27 9.7.4.3 Each Party shall be responsible for protection of its facilities consistent with Good  
28 Utility Practice.

29 9.7.4.4 Each Party's protective relay design shall incorporate the necessary test switches to  
30 perform the tests required in Article 6. The required test switches will be placed such that they  
31 allow operation of lockout relays while preventing breaker failure schemes from operating and  
32 causing unnecessary breaker operations and/or the tripping of Interconnection Customer's units.

33 9.7.4.5 Each Party will test, operate and maintain System Protection Facilities in accordance  
34 with Good Utility Practice.

35 9.7.4.6 Prior to the In-Service Date, and again prior to the Commercial Operation Date, each  
36 Party or its agent shall perform a complete calibration test and functional trip test of the System  
37 Protection Facilities. At intervals suggested by Good Utility Practice and following any apparent  
38 malfunction of the System Protection Facilities, each Party shall perform both calibration and  
39 functional trip tests of its System Protection Facilities. These tests do not require the tripping of  
40 any in-service generation unit. These tests do, however, require that all protective relays and  
41 lockout contacts be activated.

42 **9.7.5 Requirements for Protection.** In compliance with Good Utility Practice,  
43 Interconnection Customer shall provide, install, own, and maintain relays, circuit breakers and all

1 other devices necessary to remove any fault contribution of the Large Generating Facility to any  
2 short circuit occurring on the Transmission System not otherwise isolated by Transmission  
3 Provider's equipment, such that the removal of the fault contribution shall be coordinated with  
4 the protective requirements of the Transmission System. Such protective equipment shall  
5 include, without limitation, a disconnecting device or switch with load-interrupting capability  
6 located between the Large Generating Facility and the Transmission System at a site selected  
7 upon mutual agreement (not to be unreasonably withheld, conditioned or delayed) of the Parties.  
8 Interconnection Customer shall be responsible for protection of the Large Generating Facility  
9 and Interconnection Customer's other equipment from such conditions as negative sequence  
10 currents, over-or under-frequency, sudden load rejection, over-or under-voltage, and generator  
11 loss-of-field. Interconnection Customer shall be solely responsible to disconnect the Large  
12 Generating Facility and Interconnection Customer's other equipment if conditions on the  
13 Transmission System could adversely affect the Large Generating Facility.

14 **9.7.6 Power Quality.** Neither Party's facilities shall cause excessive voltage flicker nor  
15 introduce excessive distortion to the sinusoidal voltage or current waves as defined by ANSI  
16 Standard C84.1-1989, in accordance with IEEE Standard 519, or any applicable superseding  
17 electric industry standard. In the event of a conflict between ANSI Standard C84.1-1989, or any  
18 applicable superseding electric industry standard, ANSI Standard C84.1-1989, or the applicable  
19 superseding electric industry standard, shall control.

20 **9.8 Switching and Tagging Rules.** Each Party shall provide the other Party a copy of its  
21 switching and tagging rules that are applicable to the other Party's activities. Such switching and  
22 tagging rules shall be developed on a non-discriminatory basis. The Parties shall comply with  
23 applicable switching and tagging rules, as amended from time to time, in obtaining clearances for  
24 work or for switching operations on equipment.

## 25 **9.9 Use of Interconnection Facilities by Third Parties.**

26 **9.9.1 Purpose of Interconnection Facilities.** Except as may be required by Applicable  
27 Laws and Regulations, or as otherwise agreed to among the Parties, the Interconnection Facilities  
28 shall be constructed for the sole purpose of interconnecting the Large Generating Facility to the  
29 Transmission System and shall be used for no other purpose.

30 **9.9.2 Third Party Users.** If required by Applicable Laws and Regulations or if the  
31 Parties mutually agree, such agreement not to be unreasonably withheld, to allow one or more  
32 third parties to use Transmission Provider's Interconnection Facilities, or any part thereof,  
33 Interconnection Customer will be entitled to compensation for the capital expenses it incurred in  
34 connection with the Interconnection Facilities based upon the pro rata use of the Interconnection  
35 Facilities by Transmission Provider, all third party users, and Interconnection Customer, in  
36 accordance with Applicable Laws and Regulations or upon some other mutually-agreed upon  
37 methodology. In addition, cost responsibility for ongoing costs, including operation and  
38 maintenance costs associated with the Interconnection Facilities, will be allocated between  
39 Interconnection Customer and any third party users based upon the pro rata use of the  
40 Interconnection Facilities by Transmission Provider, all third party users, and Interconnection  
41 Customer, in accordance with Applicable Laws and Regulations or upon some other mutually  
42 agreed upon methodology. If the issue of such compensation or allocation cannot be resolved  
43 through such negotiations, it shall be submitted to FERC for resolution.





1 Facilities, Network Upgrades and Distribution Upgrades, at the sole expense of the  
2 Interconnection Customer.

3 **11.3 Network Upgrades and Distribution Upgrades.** Transmission Provider or  
4 Transmission Owner shall design, procure, construct, install, and own the Network Upgrades and  
5 Distribution Upgrades described in Appendix A, Interconnection Facilities, Network Upgrades  
6 and Distribution Upgrades. The Interconnection Customer shall be responsible for all costs  
7 related to Distribution Upgrades. Unless Transmission Provider or Transmission Owner elects to  
8 fund the capital for the Network Upgrades, they shall be solely funded by Interconnection  
9 Customer.

#### 10 **11.4 Transmission Credits.**

11 **11.4.1 Repayment of Amounts Advanced for Network Upgrades.** Interconnection  
12 Customer shall be entitled to a cash repayment, equal to the total amount paid to Transmission  
13 Provider and Affected System Operator, if any, for the Network Upgrades, including any tax  
14 gross-up or other tax-related payments associated with Network Upgrades, and not refunded to  
15 Interconnection Customer pursuant to Article 5.17.8 or otherwise, to be paid to Interconnection  
16 Customer on a dollar-for-dollar basis for the non-usage sensitive portion of transmission charges,  
17 as payments are made under Transmission Provider's Tariff and Affected System's Tariff for  
18 transmission services with respect to the Large Generating Facility. Any repayment shall include  
19 interest calculated in accordance with the methodology set forth in FERC's regulations at 18  
20 CFR 35.19a(a)(2)(iii) from the date of any payment for Network Upgrades through the date on  
21 which the Interconnection Customer receives a repayment of such payment pursuant to this  
22 subparagraph. Interconnection Customer may assign such repayment rights to any person.

23 Notwithstanding the foregoing, Interconnection Customer, Transmission Provider, and Affected  
24 System Operator may adopt any alternative payment schedule that is mutually agreeable so long  
25 as Transmission Provider and Affected System Operator take one of the following actions no  
26 later than five years from the Commercial Operation Date: (1) Return to Interconnection  
27 Customer any amounts advanced for Network Upgrades not previously repaid, or (2) declare in  
28 writing that Transmission Provider or Affected System Operator will continue to provide  
29 payments to Interconnection Customer on a dollar-for-dollar basis for the non-usage sensitive  
30 portion of transmission charges, or develop an alternative schedule that is mutually agreeable and  
31 provides for the return of all amounts advanced for Network Upgrades not previously repaid;  
32 however, full reimbursement shall not extend beyond twenty (20) years from the Commercial  
33 Operation Date..

34 If the Large Generating Facility fails to achieve commercial operation, but it or another  
35 Generating Facility is later constructed and makes use of the Network Upgrades, Transmission  
36 Provider and Affected System Operator shall at that time reimburse Interconnection Customer  
37 for the amounts advanced for the Network Upgrades. Before any such reimbursement can occur,  
38 the Interconnection Customer, or the entity that ultimately constructs the Generating Facility, if  
39 different, is responsible for identifying the entity to which reimbursement must be made.

40 **11.4.2 Special Provisions for Affected Systems.** Unless Transmission Provider provides,  
41 under the LGIA, for the repayment of amounts advanced to Affected System Operator for  
42 Network Upgrades, Interconnection Customer and Affected System Operator shall enter into an  
43 agreement that provides for such repayment. The agreement shall specify the terms governing

1 payments to be made by Interconnection Customer to the Affected System Operator as well as  
2 the repayment by the Affected System Operator.

3 11.4.3 Notwithstanding any other provision of this LGIA, nothing herein shall be construed  
4 as relinquishing or foreclosing any rights, including but not limited to firm transmission rights,  
5 capacity rights, transmission congestion rights, or transmission credits, that Interconnection  
6 Customer, shall be entitled to, now or in the future under any other agreement or tariff as a result  
7 of, or otherwise associated with, the transmission capacity, if any, created by the Network  
8 Upgrades, including the right to obtain cash reimbursements or transmission credits for  
9 transmission service that is not associated with the Large Generating Facility.

10 **11.5 Provision of Security.** At least thirty (30) Calendar Days prior to the  
11 commencement of the procurement, installation, or construction of a discrete portion of a  
12 Transmission Provider's Interconnection Facilities, Network Upgrades, or Distribution Upgrades,  
13 Interconnection Customer shall provide Transmission Provider, at Interconnection Customer's  
14 option, a guarantee, a surety bond, letter of credit or other form of security that is reasonably  
15 acceptable to Transmission Provider and is consistent with the Uniform Commercial Code of the  
16 jurisdiction identified in Article 14.2.1. Such security for payment shall be in an amount  
17 sufficient to cover the costs for constructing, procuring and installing the applicable portion of  
18 Transmission Provider's Interconnection Facilities, Network Upgrades, or Distribution Upgrades  
19 and shall be reduced on a dollar-for-dollar basis for payments made to Transmission Provider for  
20 these purposes.

21 In addition:

22 11.5.1 The guarantee must be made by an entity that meets the creditworthiness requirements  
23 of Transmission Provider, and contain terms and conditions that guarantee payment of any  
24 amount that may be due from Interconnection Customer, up to an agreed-to maximum amount.

25 11.5.2 The letter of credit must be issued by a financial institution reasonably acceptable to  
26 Transmission Provider and must specify a reasonable expiration date.

27 11.5.3 The surety bond must be issued by an insurer reasonably acceptable to Transmission  
28 Provider and must specify a reasonable expiration date.

29 **11.6 Interconnection Customer Compensation.** If Transmission Provider requests or  
30 directs Interconnection Customer to provide a service pursuant to Articles 9.6.3 (Payment for  
31 Reactive Power), or 13.5.1 of this LGIA, Transmission Provider shall compensate  
32 Interconnection Customer in accordance with Interconnection Customer's applicable rate  
33 schedule then in effect unless the provision of such service(s) is subject to an RTO or ISO  
34 FERC-approved rate schedule. Interconnection Customer shall serve Transmission Provider or  
35 RTO or ISO with any filing of a proposed rate schedule at the time of such filing with FERC. To  
36 the extent that no rate schedule is in effect at the time the Interconnection Customer is required  
37 to provide or absorb any Reactive Power under this LGIA, Transmission Provider agrees to  
38 compensate Interconnection Customer in such amount as would have been due Interconnection  
39 Customer had the rate schedule been in effect at the time service commenced; provided,  
40 however, that such rate schedule must be filed at FERC or other appropriate Governmental  
41 Authority within sixty (60) Calendar Days of the commencement of service.

42 **11.6.1 Interconnection Customer Compensation for Actions During Emergency**  
43 **Condition.** Transmission Provider or RTO or ISO shall compensate Interconnection Customer

1 for its provision of real and reactive power and other Emergency Condition services that  
2 Interconnection Customer provides to support the Transmission System during an Emergency  
3 Condition in accordance with Article 11.6.

#### 4 **ARTICLE 12. INVOICE**

5 **12.1 General.** Each Party shall submit to the other Party, on a monthly basis, invoices  
6 of amounts due for the preceding month. Each invoice shall state the month to which the invoice  
7 applies and fully describe the services and equipment provided. The Parties may discharge  
8 mutual debts and payment obligations due and owing to each other on the same date through  
9 netting, in which case all amounts a Party owes to the other Party under this LGIA, including  
10 interest payments or credits, shall be netted so that only the net amount remaining due shall be  
11 paid by the owing Party.

12 **12.2 Final Invoice.** Within six months after completion of the construction of  
13 Transmission Provider's Interconnection Facilities and the Network Upgrades, Transmission  
14 Provider shall provide an invoice of the final cost of the construction of Transmission Provider's  
15 Interconnection Facilities and the Network Upgrades and shall set forth such costs in sufficient  
16 detail to enable Interconnection Customer to compare the actual costs with the estimates and to  
17 ascertain deviations, if any, from the cost estimates. Transmission Provider shall refund to  
18 Interconnection Customer any amount by which the actual payment by Interconnection  
19 Customer for estimated costs exceeds the actual costs of construction within thirty (30) Calendar  
20 Days of the issuance of such final construction invoice.

21 **12.3 Payment.** Invoices shall be rendered to the paying Party at the address specified  
22 in Appendix F. The Party receiving the invoice shall pay the invoice within thirty (30) Calendar  
23 Days of receipt. All payments shall be made in immediately available funds payable to the other  
24 Party, or by wire transfer to a bank named and account designated by the invoicing Party.  
25 Payment of invoices by either Party will not constitute a waiver of any rights or claims either  
26 Party may have under this LGIA.

27 **12.4 Disputes.** In the event of a billing dispute between Transmission Provider and  
28 Interconnection Customer, Transmission Provider shall continue to provide Interconnection  
29 Service under this LGIA as long as Interconnection Customer: (i) Continues to make all  
30 payments not in dispute; and (ii) pays to Transmission Provider or into an independent escrow  
31 account the portion of the invoice in dispute, pending resolution of such dispute. If  
32 Interconnection Customer fails to meet these two requirements for continuation of service, then  
33 Transmission Provider may provide notice to Interconnection Customer of a Default pursuant to  
34 Article 17. Within thirty (30) Calendar Days after the resolution of the dispute, the Party that  
35 owes money to the other Party shall pay the amount due with interest calculated in accord with  
36 the methodology set forth in FERC's regulations at 18 CFR 35.19a(a)(2)(iii).

#### 37 **ARTICLE 13. EMERGENCIES**

38 **13.1 Definition.** "Emergency Condition" shall mean a condition or situation: (i) That  
39 in the judgment of the Party making the claim is imminently likely to endanger life or property;  
40 or (ii) that, in the case of Transmission Provider, is imminently likely (as determined in a non-  
41 discriminatory manner) to cause a material adverse effect on the security of, or damage to the

1 Transmission System, Transmission Provider's Interconnection Facilities or the Transmission  
2 Systems of others to which the Transmission System is directly connected; or (iii) that, in the  
3 case of Interconnection Customer, is imminently likely (as determined in a non-discriminatory  
4 manner) to cause a material adverse effect on the security of, or damage to, the Large Generating  
5 Facility or Interconnection Customer's Interconnection Facilities' System restoration and black  
6 start shall be considered Emergency Conditions; provided, that Interconnection Customer is not  
7 obligated by this LGIA to possess black start capability.

8 **13.2 Obligations.** Each Party shall comply with the Emergency Condition procedures  
9 of the applicable ISO/RTO, NERC, the Applicable Reliability Council, Applicable Laws and  
10 Regulations, and any emergency procedures agreed to by the Joint Operating Committee.

11 **13.3 Notice.** Transmission Provider shall notify Interconnection Customer promptly  
12 when it becomes aware of an Emergency Condition that affects Transmission Provider's  
13 Interconnection Facilities or the Transmission System that may reasonably be expected to affect  
14 Interconnection Customer's operation of the Large Generating Facility or Interconnection  
15 Customer's Interconnection Facilities. Interconnection Customer shall notify Transmission  
16 Provider promptly when it becomes aware of an Emergency Condition that affects the Large  
17 Generating Facility or Interconnection Customer's Interconnection Facilities that may reasonably  
18 be expected to affect the Transmission System or Transmission Provider's Interconnection  
19 Facilities. To the extent information is known, the notification shall describe the Emergency  
20 Condition, the extent of the damage or deficiency, the expected effect on the operation of  
21 Interconnection Customer's or Transmission Provider's facilities and operations, its anticipated  
22 duration and the corrective action taken and/or to be taken. The initial notice shall be followed  
23 as soon as practicable with written notice.

24 **13.4 Immediate Action.** Unless, in Interconnection Customer's reasonable judgment,  
25 immediate action is required, Interconnection Customer shall obtain the consent of Transmission  
26 Provider, such consent to not be unreasonably withheld, prior to performing any manual  
27 switching operations at the Large Generating Facility or Interconnection Customer's  
28 Interconnection Facilities in response to an Emergency Condition either declared by  
29 Transmission Provider or otherwise regarding the Transmission System.

30 **13.5 Transmission Provider Authority.**

31 **13.5.1 General.** Transmission Provider may take whatever actions or inactions with  
32 regard to the Transmission System or Transmission Provider's Interconnection Facilities it deems  
33 necessary during an Emergency Condition in order to (i) preserve public health and safety, (ii)  
34 preserve the reliability of the Transmission System or Transmission Provider's Interconnection  
35 Facilities, (iii) limit or prevent damage, and (iv) expedite restoration of service. Transmission  
36 Provider shall use Reasonable Efforts to minimize the effect of such actions or inactions on the  
37 Large Generating Facility or Interconnection Customer's Interconnection Facilities.  
38 Transmission Provider may, on the basis of technical considerations, require the Large  
39 Generating Facility to mitigate an Emergency Condition by taking actions necessary and limited  
40 in scope to remedy the Emergency Condition, including, but not limited to, directing  
41 Interconnection Customer to shut-down, start-up, increase or decrease the real or reactive power  
42 output of the Large Generating Facility; implementing a reduction or disconnection pursuant to  
43 Article 13.5.2; directing Interconnection Customer to assist with blackstart (if available) or  
44 restoration efforts; or altering the outage schedules of the Large Generating Facility and

1 Interconnection Customer's Interconnection Facilities. Interconnection Customer shall comply  
2 with all of Transmission Provider's operating instructions concerning Large Generating Facility  
3 real power and reactive power output within the manufacturer's design limitations of the Large  
4 Generating Facility's equipment that is in service and physically available for operation at the  
5 time, in compliance with Applicable Laws and Regulations.

6 **13.5.2 Reduction and Disconnection.** Transmission Provider may reduce  
7 Interconnection Service or disconnect the Large Generating Facility or Interconnection  
8 Customer's Interconnection Facilities, when such, reduction or disconnection is necessary under  
9 Good Utility Practice due to Emergency Conditions. These rights are separate and distinct from  
10 any right of curtailment of Transmission Provider pursuant to Transmission Provider's Tariff.  
11 When Transmission Provider can schedule the reduction or disconnection in advance,  
12 Transmission Provider shall notify Interconnection Customer of the reasons, timing and expected  
13 duration of the reduction or disconnection. Transmission Provider shall coordinate with  
14 Interconnection Customer using Good Utility Practice to schedule the reduction or disconnection  
15 during periods of least impact to Interconnection Customer and Transmission Provider. Any  
16 reduction or disconnection shall continue only for so long as reasonably necessary under Good  
17 Utility Practice. The Parties shall cooperate with each other to restore the Large Generating  
18 Facility, the Interconnection Facilities, and the Transmission System to their normal operating  
19 state as soon as practicable consistent with Good Utility Practice.

20 **13.6 Interconnection Customer Authority.** Consistent with Good Utility Practice and  
21 the LGIA and the LGIP, Interconnection Customer may take actions or inactions with regard to  
22 the Large Generating Facility or Interconnection Customer's Interconnection Facilities during an  
23 Emergency Condition in order to (i) preserve public health and safety, (ii) preserve the reliability  
24 of the Large Generating Facility or Interconnection Customer's Interconnection Facilities, (iii)  
25 limit or prevent damage, and (iv) expedite restoration of service. Interconnection Customer shall  
26 use Reasonable Efforts to minimize the effect of such actions or inactions on the Transmission  
27 System and Transmission Provider's Interconnection Facilities. Transmission Provider shall use  
28 Reasonable Efforts to assist Interconnection Customer in such actions.

29 **13.7 Limited Liability.** Except as otherwise provided in Article 11.6.1 of this LGIA,  
30 neither Party shall be liable to the other for any action it takes in responding to an Emergency  
31 Condition so long as such action is made in good faith and is consistent with Good Utility  
32 Practice.

## 33 **ARTICLE 14. REGULATORY REQUIREMENTS AND GOVERNING LAW**

34 **14.1 Regulatory Requirements.** Each Party's obligations under this LGIA shall be  
35 subject to its receipt of any required approval or certificate from one or more Governmental  
36 Authorities in the form and substance satisfactory to the applying Party, or the Party making any  
37 required filings with, or providing notice to, such Governmental Authorities, and the expiration  
38 of any time period associated therewith. Each Party shall in good faith seek and use its  
39 Reasonable Efforts to obtain such other approvals. Nothing in this LGIA shall require  
40 Interconnection Customer to take any action that could result in its inability to obtain, or its loss  
41 of, status or exemption under the Federal Power Act, the Public Utility Holding Company Act of  
42 1935, as amended, or the Public Utility Regulatory Policies Act of 1978.

1 **14.2 Governing Law.**

2 14.2.1 The validity, interpretation and performance of this LGIA and each of its provisions  
3 shall be governed by the laws of the state where the Point of Interconnection is located, without  
4 regard to its conflicts of law principles.

5 14.2.2 This LGIA is subject to all Applicable Laws and Regulations.

6 14.2.3 Each Party expressly reserves the right to seek changes in, appeal, or otherwise contest  
7 any laws, orders, rules, or regulations of a Governmental Authority.

8 **ARTICLE 15. NOTICES**

9 **15.1 General.** Unless otherwise provided in this LGIA, any notice, demand or request  
10 required or permitted to be given by either Party to the other and any instrument required or  
11 permitted to be tendered or delivered by either Party in writing to the other shall be effective  
12 when delivered and may be so given, tendered or delivered, by recognized national courier, or by  
13 depositing the same with the United States Postal Service with postage prepaid, for delivery by  
14 certified or registered mail, addressed to the Party, or personally delivered to the Party, at the  
15 address set out in Appendix F, Addresses for Delivery of Notices and Billings. Either Party may  
16 change the notice information in this LGIA by giving five (5) Business Days written notice prior  
17 to the effective date of the change.

18 **15.2 Billings and Payments.** Billings and payments shall be sent to the addresses set  
19 out in Appendix F.

20 **15.3 Alternative Forms of Notice.** Any notice or request required or permitted to be  
21 given by a Party to the other and not required by this Agreement to be given in writing may be so  
22 given by telephone, facsimile or email to the telephone numbers and email addresses set out in  
23 Appendix F.

24 **15.4 Operations and Maintenance Notice.** Each Party shall notify the other Party in  
25 writing of the identity of the person(s) that it designates as the point(s) of contact with respect to  
26 the implementation of Articles 9 and 10.

27 **ARTICLE 16. FORCE MAJEURE**

28 16.1 Force Majeure

29 16.1.1 Economic hardship is not considered a Force Majeure event.

30 16.1.2 Neither Party shall be considered to be in Default with respect to any obligation  
31 hereunder, (including obligations under Article 4), other than the obligation to pay money when  
32 due, if prevented from fulfilling such obligation by Force Majeure. A Party unable to fulfill any  
33 obligation hereunder (other than an obligation to pay money when due) by reason of Force  
34 Majeure shall give notice and the full particulars of such Force Majeure to the other Party in  
35 writing or by telephone as soon as reasonably possible after the occurrence of the cause relied  
36 upon. Telephone notices given pursuant to this article shall be confirmed in writing as soon as  
37 reasonably possible and shall specifically state full particulars of the Force Majeure, the time and  
38 date when the Force Majeure occurred and when the Force Majeure is reasonably expected to  
39 cease. The Party affected shall exercise due diligence to remove such disability with reasonable

1 dispatch, but shall not be required to accede or agree to any provision not satisfactory to it in  
2 order to settle and terminate a strike or other labor disturbance.

3 **ARTICLE 17. DEFAULT**

4 **17.1 Default**

5 **17.1.1 General.** No Default shall exist where such failure to discharge an obligation  
6 (other than the payment of money) is the result of Force Majeure as defined in this LGIA or the  
7 result of an act of omission of the other Party. Upon a Breach, the non-breaching Party shall  
8 give written notice of such Breach to the breaching Party. Except as provided in Article 17.1.2,  
9 the breaching Party shall have thirty (30) Calendar Days from receipt of the Default notice  
10 within which to cure such Breach; provided however, if such Breach is not capable of cure  
11 within thirty (30) Calendar Days, the breaching Party shall commence such cure within thirty  
12 (30) Calendar Days after notice and continuously and diligently complete such cure within  
13 ninety (90) Calendar Days from receipt of the Default notice; and, if cured within such time, the  
14 Breach specified in such notice shall cease to exist.

15 **17.1.2 Right to Terminate.** If a Breach is not cured as provided in this article, or if a  
16 Breach is not capable of being cured within the period provided for herein, the non-breaching  
17 Party shall have the right to declare a Default and terminate this LGIA by written notice at any  
18 time until cure occurs, and be relieved of any further obligation hereunder and, whether or not  
19 that Party terminates this LGIA, to recover from the breaching Party all amounts due hereunder,  
20 plus all other damages and remedies to which it is entitled at law or in equity. The provisions of  
21 this article will survive termination of this LGIA.

22 **ARTICLE 18. INDEMNITY, CONSEQUENTIAL DAMAGES AND INSURANCE**

23 **18.1 Indemnity.** The Parties shall at all times indemnify, defend, and hold the other  
24 Party harmless from, any and all damages, losses, claims, including claims and actions relating to  
25 injury to or death of any person or damage to property, demand, suits, recoveries, costs and  
26 expenses, court costs, attorney fees, and all other obligations by or to third parties, arising out of  
27 or resulting from the other Party's action or inactions of its obligations under this LGIA on behalf  
28 of the Indemnifying Party, except in cases of gross negligence or intentional wrongdoing by the  
29 Indemnified Party.

30 **18.1.1 Indemnified Person.** If an Indemnified Person is entitled to indemnification  
31 under this Article 18 as a result of a claim by a third party, and the indemnifying Party fails, after  
32 notice and reasonable opportunity to proceed under Article 18.1, to assume the defense of such  
33 claim, such Indemnified Person may at the expense of the indemnifying Party contest, settle or  
34 consent to the entry of any judgment with respect to, or pay in full, such claim.

35 **18.1.2 Indemnifying Party.** If an Indemnifying Party is obligated to indemnify and hold  
36 any Indemnified Person harmless under this Article 18, the amount owing to the Indemnified  
37 Person shall be the amount of such Indemnified Person's actual Loss, net of any insurance or  
38 other recovery.

39 **18.1.3 Indemnity Procedures.** Promptly after receipt by an Indemnified Person of any  
40 claim or notice of the commencement of any action or administrative or legal proceeding or



1 investigation as to which the indemnity provided for in Article 18.1 may apply, the Indemnified  
2 Person shall notify the Indemnifying Party of such fact. Any failure of or delay in such  
3 notification shall not affect a Party's indemnification obligation unless such failure or delay is  
4 materially prejudicial to the indemnifying Party.

5 The Indemnifying Party shall have the right to assume the defense thereof with counsel  
6 designated by such Indemnifying Party and reasonably satisfactory to the Indemnified Person. If  
7 the defendants in any such action include one or more Indemnified Persons and the Indemnifying  
8 Party and if the Indemnified Person reasonably concludes that there may be legal defenses  
9 available to it and/or other Indemnified Persons which are different from or additional to those  
10 available to the Indemnifying Party, the Indemnified Person shall have the right to select separate  
11 counsel to assert such legal defenses and to otherwise participate in the defense of such action on  
12 its own behalf. In such instances, the Indemnifying Party shall only be required to pay the fees  
13 and expenses of one additional attorney to represent an Indemnified Person or Indemnified  
14 Persons having such differing or additional legal defenses.

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

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

26 **18.2 Consequential Damages.** Other than the Liquidated Damages heretofore  
27 described, in no event shall either Party be liable under any provision of this LGIA for any  
28 losses, damages, costs or expenses for any special, indirect, incidental, consequential, or punitive  
29 damages, including but not limited to loss of profit or revenue, loss of the use of equipment, cost  
30 of capital, cost of temporary equipment or services, whether based in whole or in part in contract,  
31 in tort, including negligence, strict liability, or any other theory of liability; provided, however,  
32 that damages for which a Party may be liable to the other Party under another agreement will not  
33 be considered to be special, indirect, incidental, or consequential damages hereunder.

34 **18.3 Insurance.** Each party shall, at its own expense, maintain in force throughout the  
35 period of this LGIA, and until released by the other Party, the following minimum insurance  
36 coverages, with insurers authorized to do business in the state where the Point of Interconnection  
37 is located:

38 18.3.1 Employers' Liability and Workers' Compensation Insurance providing statutory  
39 benefits in accordance with the laws and regulations of the state in which the Point of  
40 Interconnection is located.

41 18.3.2 Commercial General Liability Insurance including premises and operations, personal  
42 injury, broad form property damage, broad form blanket contractual liability coverage (including  
43 coverage for the contractual indemnification) products and completed operations coverage,

1 coverage for explosion, collapse and underground hazards, independent contractors coverage,  
2 coverage for pollution to the extent normally available and punitive damages to the extent  
3 normally available and a cross liability endorsement, with minimum limits of One Million  
4 Dollars (\$ 1,000,000) per occurrence/One Million Dollars (\$ 1,000,000) aggregate combined  
5 single limit for personal injury, bodily injury, including death and property damage.

6 18.3.3 Comprehensive Automobile Liability Insurance for coverage of owned and non-  
7 owned and hired vehicles, trailers or semi-trailers designed for travel on public roads, with a  
8 minimum, combined single limit of One Million Dollars (\$ 1,000,000) per occurrence for bodily  
9 injury, including death, and property damage.

10 18.3.4 Excess Public Liability Insurance over and above the Employers' Liability  
11 Commercial General Liability and Comprehensive Automobile Liability Insurance coverage,  
12 with a minimum combined single limit of Twenty Million Dollars (\$ 20,000,000) per  
13 occurrence/Twenty Million Dollars (\$ 20,000,000) aggregate.

14 18.3.5 The Commercial General Liability Insurance, Comprehensive Automobile Insurance  
15 and Excess Public Liability Insurance policies shall name the other Party, its parent, associated  
16 and Affiliate companies and their respective directors, officers, agents, servants and employees  
17 ("Other Party Group") as additional insured. All policies shall contain provisions whereby the  
18 insurers waive all rights of subrogation in accordance with the provisions of this LGIA against  
19 the Other Party Group and provide thirty (30) Calendar Days advance written notice to the Other  
20 Party Group prior to anniversary date of cancellation or any material change in coverage or  
21 condition.

22 18.3.6 The Commercial General Liability Insurance, Comprehensive Automobile Liability  
23 Insurance and Excess Public Liability Insurance policies shall contain provisions that specify that  
24 the policies are primary and shall apply to such extent without consideration for other policies  
25 separately carried and shall state that each insured is provided coverage as though a separate  
26 policy had been issued to each, except the insurer's liability shall not be increased beyond the  
27 amount for which the insurer would have been liable had only one insured been covered. Each  
28 Party shall be responsible for its respective deductibles or retentions.

29 18.3.7 The Commercial General Liability Insurance, Comprehensive Automobile Liability  
30 Insurance and Excess Public Liability Insurance policies, if written on a Claims First Made  
31 Basis, shall be maintained in full force and effect for two (2) years after termination of this  
32 LGIA, which coverage may be in the form of tail coverage or extended reporting period  
33 coverage if agreed by the Parties.

34 18.3.8 The requirements contained herein as to the types and limits of all insurance to be  
35 maintained by the Parties are not intended to and shall not in any manner, limit or qualify the  
36 liabilities and obligations assumed by the Parties under this LGIA.

37 18.3.9 Within ten (10) days following execution of this LGIA, and as soon as practicable  
38 after the end of each fiscal year or at the renewal of the insurance policy and in any event within  
39 ninety (90) days thereafter, each Party shall provide certification of all insurance required in this  
40 LGIA, executed by each insurer or by an authorized representative of each insurer.

41 18.3.10 Notwithstanding the foregoing, each Party may self-insure to meet the minimum  
42 insurance requirements of Articles 18.3.2 through 18.3.8 to the extent it maintains a self-  
43 insurance program; provided that, such Party's senior secured debt is rated at investment grade or

1 better by Standard & Poor's and that its self-insurance program meets the minimum insurance  
2 requirements of Articles 18.3.2 through 18.3.8. For any period of time that a Party's senior  
3 secured debt is unrated by Standard & Poor's or is rated at less than investment grade by  
4 Standard & Poor's, such Party shall comply with the insurance requirements applicable to it  
5 under Articles 18.3.2 through 18.3.9. In the event that a Party is permitted to self-insure  
6 pursuant to this article, it shall notify the other Party that it meets the requirements to self-insure  
7 and that its self-insurance program meets the minimum insurance requirements in a manner  
8 consistent with that specified in Article 18.3.9.

9 18.3.11 The Parties agree to report to each other in writing as soon as practical all accidents  
10 or occurrences resulting in injuries to any person, including death, and any property damage  
11 arising out of this LGIA.

## 12 **ARTICLE 19. ASSIGNMENT**

### 13 19.1 Assignment

14 This LGIA may be assigned by either Party only with the written consent of the other;  
15 provided that either Party may assign this LGIA without the consent of the other Party to any  
16 Affiliate of the assigning Party with an equal or greater credit rating and with the legal authority  
17 and operational ability to satisfy the obligations of the assigning Party under this LGIA; and  
18 provided further that Interconnection Customer shall have the right to assign this LGIA, without  
19 the consent of Transmission Provider, for collateral security purposes to aid in providing  
20 financing for the Large Generating Facility, provided that Interconnection Customer will  
21 promptly notify Transmission Provider of any such assignment. Any financing arrangement  
22 entered into by Interconnection Customer pursuant to this article will provide that prior to or  
23 upon the exercise of the secured party's, trustee's or mortgagee's assignment rights pursuant to  
24 said arrangement, the secured creditor, the trustee or mortgagee will notify Transmission  
25 Provider of the date and particulars of any such exercise of assignment right(s), including  
26 providing the Transmission Provider with proof that it meets the requirements of Articles 11.5  
27 and 18.3. Any attempted assignment that violates this article is void and ineffective. Any  
28 assignment under this LGIA shall not relieve a Party of its obligations, nor shall a Party's  
29 obligations be enlarged, in whole or in part, by reason thereof. Where required, consent to  
30 assignment will not be unreasonably withheld, conditioned or delayed.

## 31 **ARTICLE 20. SEVERABILITY**

### 32 20.1 Severability

33 If any provision in this LGIA is finally determined to be invalid, void or unenforceable by  
34 any court or other Governmental Authority having jurisdiction, such determination shall not  
35 invalidate, void or make unenforceable any other provision, agreement or covenant of this LGIA;  
36 provided that if Interconnection Customer (or any third party, but only if such third party is not  
37 acting at the direction of Transmission Provider) seeks and obtains such a final determination  
38 with respect to any provision of the Alternate Option (Article 5.1.2), or the Negotiated Option  
39 (Article 5.1.4), then none of these provisions shall thereafter have any force or effect and the  
40 Parties' rights and obligations shall be governed solely by the Standard Option (Article 5.1.1).

1 **ARTICLE 21. COMPARABILITY**

2 21.1 Comparability

3 The Parties will comply with all applicable comparability and code of conduct laws, rules  
4 and regulations, as amended from time to time.

5 **ARTICLE 22. CONFIDENTIALITY**

6 **22.1 Confidentiality.** Confidential Information shall include, without limitation, all  
7 information relating to a Party's technology, research and development, business affairs, and  
8 pricing, and any information supplied by either of the Parties to the other prior to the execution  
9 of this LGIA. Information is Confidential Information only if it is clearly designated or marked  
10 in writing as confidential on the face of the document, or, if the information is conveyed orally or  
11 by inspection, if the Party providing the information orally informs the Party receiving the  
12 information that the information is confidential. If requested by either Party, the other Party  
13 shall provide in writing, the basis for asserting that the information referred to in this Article 22  
14 warrants confidential treatment, and the requesting Party may disclose such writing to the  
15 appropriate Governmental Authority. Each Party shall be responsible for the costs associated  
16 with affording confidential treatment to its information.

17 **22.1.1 Term.** During the term of this LGIA, and for a period of three (3) years after the  
18 expiration or termination of this LGIA, except as otherwise provided in this Article 22, each  
19 Party shall hold in confidence and shall not disclose to any person Confidential Information.

20 **22.1.2 Scope.** Confidential Information shall not include information that the receiving  
21 Party can demonstrate: (1) Is generally available to the public other than as a result of a  
22 disclosure by the receiving Party; (2) was in the lawful possession of the receiving Party on a  
23 non-confidential basis before receiving it from the disclosing Party; (3) was supplied to the  
24 receiving Party without restriction by a third party, who, to the knowledge of the receiving Party  
25 after due inquiry, was under no obligation to the disclosing Party to keep such information  
26 confidential; (4) was independently developed by the receiving Party without reference to  
27 Confidential Information of the disclosing Party; (5) is, or becomes, publicly known, through no  
28 wrongful act or omission of the receiving Party or Breach of this LGIA; or (6) is required, in  
29 accordance with Article 22.1.7 of the LGIA, Order of Disclosure, to be disclosed by any  
30 Governmental Authority or is otherwise required to be disclosed by law or subpoena, or is  
31 necessary in any legal proceeding establishing rights and obligations under this LGIA.  
32 Information designated as Confidential Information will no longer be deemed confidential if the  
33 Party that designated the information as confidential notifies the other Party that it no longer is  
34 confidential.

35 **22.1.3 Release of Confidential Information.** Neither Party shall release or disclose  
36 Confidential Information to any other person, except to its Affiliates (limited by the Standards of  
37 Conduct requirements), subcontractors, employees, consultants, or to parties who may be or  
38 considering providing financing to or equity participation with Interconnection Customer, or to  
39 potential purchasers or assignees of Interconnection Customer, on a need-to-know basis in  
40 connection with this LGIA, unless such person has first been advised of the confidentiality  
41 provisions of this Article 22 and has agreed to comply with such provisions. Notwithstanding the

1 foregoing, a Party providing Confidential Information to any person shall remain primarily  
2 responsible for any release of Confidential Information in contravention of this Article 22.

3 **22.1.4 Rights.** Each Party retains all rights, title, and interest in the Confidential  
4 Information that each Party discloses to the other Party. The disclosure by each Party to the  
5 other Party of Confidential Information shall not be deemed a waiver by either Party or any other  
6 person or entity of the right to protect the Confidential Information from public disclosure.

7 **22.1.5 No Warranties.** By providing Confidential Information, neither Party makes any  
8 warranties or representations as to its accuracy or completeness. In addition, by supplying  
9 Confidential Information, neither Party obligates itself to provide any particular information or  
10 Confidential Information to the other Party nor to enter into any further agreements or proceed  
11 with any other relationship or joint venture.

12 **22.1.6 Standard of Care.** Each Party shall use at least the same standard of care to  
13 protect Confidential Information it receives as it uses to protect its own Confidential Information  
14 from unauthorized disclosure, publication or dissemination. Each Party may use Confidential  
15 Information solely to fulfill its obligations to the other Party under this LGIA or its regulatory  
16 requirements.

17 **22.1.7 Order of Disclosure.** If a court or a Government Authority or entity with the  
18 right, power, and apparent authority to do so requests or requires either Party, by subpoena, oral  
19 deposition, interrogatories, requests for production of documents, administrative order, or  
20 otherwise, to disclose Confidential Information, that Party shall provide the other Party with  
21 prompt notice of such request(s) or requirement(s) so that the other Party may seek an  
22 appropriate protective order or waive compliance with the terms of this LGIA.

23 Notwithstanding the absence of a protective order or waiver, the Party may disclose such  
24 Confidential Information which, in the opinion of its counsel, the Party is legally compelled to  
25 disclose. Each Party will use Reasonable Efforts to obtain reliable assurance that confidential  
26 treatment will be accorded any Confidential Information so furnished.

27 **22.1.8 Termination of Agreement.** Upon termination of this LGIA for any reason, each  
28 Party shall, within ten (10) Calendar Days of receipt of a written request from the other Party,  
29 use Reasonable Efforts to destroy, erase, or delete (with such destruction, erasure, and deletion  
30 certified in writing to the other Party) or return to the other Party, without retaining copies  
31 thereof, any and all written or electronic Confidential Information received from the other Party.

32 **22.1.9 Remedies.** The Parties agree that monetary damages would be inadequate to  
33 compensate a Party for the other Party's Breach of its obligations under this Article 22. Each  
34 Party accordingly agrees that the other Party shall be entitled to equitable relief, by way of  
35 injunction or otherwise, if the first Party Breaches or threatens to Breach its obligations under  
36 this Article 22, which equitable relief shall be granted without bond or proof of damages, and the  
37 receiving Party shall not plead in defense that there would be an adequate remedy at law. Such  
38 remedy shall not be deemed an exclusive remedy for the Breach of this Article 22, but shall be in  
39 addition to all other remedies available at law or in equity. The Parties further acknowledge and  
40 agree that the covenants contained herein are necessary for the protection of legitimate business  
41 interests and are reasonable in scope. No Party, however, shall be liable for indirect, incidental,  
42 or consequential or punitive damages of any nature or kind resulting from or arising in  
43 connection with this Article 22.



1 **ARTICLE 24. INFORMATION REQUIREMENTS**

2 **24.1 Information Acquisition.** Transmission Provider and Interconnection Customer  
3 shall submit specific information regarding the electrical characteristics of their respective  
4 facilities to each other as described below and in accordance with Applicable Reliability  
5 Standards.

6 **24.2 Information Submission by Transmission Provider.** The initial information  
7 submission by Transmission Provider shall occur no later than one hundred eighty (180)  
8 Calendar Days prior to Trial Operation and shall include Transmission System information  
9 necessary to allow Interconnection Customer to select equipment and meet any system protection  
10 and stability requirements, unless otherwise agreed to by the Parties. On a monthly basis  
11 Transmission Provider shall provide Interconnection Customer a status report on the construction  
12 and installation of Transmission Provider's Interconnection Facilities and Network Upgrades,  
13 including, but not limited to, the following information: (1) Progress to date; (2) a description of  
14 the activities since the last report (3) a description of the action items for the next period; and (4)  
15 the delivery status of equipment ordered.

16 **24.3 Updated Information Submission by Interconnection Customer.** The updated  
17 information submission by Interconnection Customer, including manufacturer information, shall  
18 occur no later than one hundred eighty (180) Calendar Days prior to the Trial Operation.  
19 Interconnection Customer shall submit a completed copy of the Large Generating Facility data  
20 requirements contained in Appendix 1 to the LGIP. It shall also include any additional  
21 information provided to Transmission Provider for the Feasibility and Facilities Study.  
22 Information in this submission shall be the most current Large Generating Facility design or  
23 expected performance data. Information submitted for stability models shall be compatible with  
24 Transmission Provider standard models. If there is no compatible model, Interconnection  
25 Customer will work with a consultant mutually agreed to by the Parties to develop and supply a  
26 standard model and associated information. If Interconnection Customer's data is materially  
27 different from what was originally provided to Transmission Provider pursuant to the  
28 Interconnection Study Agreement between Transmission Provider and Interconnection  
29 Customer, then Transmission Provider will conduct appropriate studies to determine the impact  
30 on Transmission Provider Transmission System based on the actual data submitted pursuant to  
31 this Article 24.3. The Interconnection Customer shall not begin Trial Operation until such  
32 studies are completed.

33 **24.4 Information Supplementation.** Prior to the Operation Date, the Parties shall  
34 supplement their information submissions described above in this Article 24 with any and all  
35 "as-built" Large Generating Facility information or "as-tested" performance information that  
36 differs from the initial submissions or, alternatively, written confirmation that no such  
37 differences exist. The Interconnection Customer shall conduct tests on the Large Generating  
38 Facility as required by Good Utility Practice such as an open circuit "step voltage" test on the  
39 Large Generating Facility to verify proper operation of the Large Generating Facility's automatic  
40 voltage regulator.

41 Unless otherwise agreed, the test conditions shall include: (1) Large Generating Facility at  
42 synchronous speed; (2) automatic voltage regulator on and in voltage control mode; and (3) a  
43 five percent change in Large Generating Facility terminal voltage initiated by a change in the  
44 voltage regulators reference voltage. Interconnection Customer shall provide validated test

1 recordings showing the responses of Large Generating Facility terminal and field voltages. In  
2 the event that direct recordings of these voltages is impractical, recordings of other voltages or  
3 currents that mirror the response of the Large Generating Facility's terminal or field voltage are  
4 acceptable if information necessary to translate these alternate quantities to actual Large  
5 Generating Facility terminal or field voltages is provided. Large Generating Facility testing shall  
6 be conducted and results provided to Transmission Provider for each individual generating unit  
7 in a station. Subsequent to the Operation Date, Interconnection Customer shall provide  
8 Transmission Provider any information changes due to equipment replacement, repair, or  
9 adjustment. Transmission Provider shall provide Interconnection Customer any information  
10 changes due to equipment replacement, repair or adjustment in the directly connected substation  
11 or any adjacent Transmission Provider-owned substation that may affect Interconnection  
12 Customer's Interconnection Facilities equipment ratings, protection or operating requirements.  
13 The Parties shall provide such information no later than thirty (30) Calendar Days after the date  
14 of the equipment replacement, repair or adjustment.

## 15 **ARTICLE 25. INFORMATION ACCESS AND AUDIT RIGHTS**

16 **25.1 Information Access.** Each Party (the "disclosing Party") shall make available to  
17 the other Party information that is in the possession of the disclosing Party and is necessary in  
18 order for the other Party to: (i) Verify the costs incurred by the disclosing Party for which the  
19 other Party is responsible under this LGIA; and (ii) carry out its obligations and responsibilities  
20 under this LGIA. The Parties shall not use such information for purposes other than those set  
21 forth in this Article 25.1 and to enforce their rights under this LGIA.

22 **25.2 Reporting of Non-Force Majeure Events.** Each Party (the "notifying Party")  
23 shall notify the other Party when the notifying Party becomes aware of its inability to comply  
24 with the provisions of this LGIA for a reason other than a Force Majeure event. The Parties  
25 agree to cooperate with each other and provide necessary information regarding such inability to  
26 comply, including the date, duration, reason for the inability to comply, and corrective actions  
27 taken or planned to be taken with respect to such inability to comply. Notwithstanding the  
28 foregoing, notification, cooperation or information provided under this article shall not entitle the  
29 Party receiving such notification to allege a cause for anticipatory breach of this LGIA.

30 **25.3 Audit Rights.** Subject to the requirements of confidentiality under Article 22 of  
31 this LGIA, each Party shall have the right, during normal business hours, and upon prior  
32 reasonable notice to the other Party, to audit at its own expense the other Party's accounts and  
33 records pertaining to either Party's performance or either Party's satisfaction of obligations under  
34 this LGIA. Such audit rights shall include audits of the other Party's costs, calculation of  
35 invoiced amounts, Transmission Provider's efforts to allocate responsibility for the provision of  
36 reactive support to the Transmission System, Transmission Provider's efforts to allocate  
37 responsibility for interruption or reduction of generation on the Transmission System, and each  
38 Party's actions in an Emergency Condition. Any audit authorized by this article shall be  
39 performed at the offices where such accounts and records are maintained and shall be limited to  
40 those portions of such accounts and records that relate to each Party's performance and  
41 satisfaction of obligations under this LGIA. Each Party shall keep such accounts and records for  
42 a period equivalent to the audit rights periods described in Article 25.4.



1 **25.4 Audit Rights Periods.**

2 **25.4.1 Audit Rights Period for Construction-Related Accounts and Records.**

3 Accounts and records related to the design, engineering, procurement, and construction of  
4 Transmission Provider's Interconnection Facilities and Network Upgrades shall be subject to  
5 audit for a period of twenty-four months following Transmission Provider's issuance of a final  
6 invoice in accordance with Article 12.2.

7 **25.4.2 Audit Rights Period for All Other Accounts and Records.**

8 Accounts and records related to either Party's performance or satisfaction of all obligations under this LGIA  
9 other than those described in Article 25.4.1 shall be subject to audit as follows: (i) For an audit  
10 relating to cost obligations, the applicable audit rights period shall be twenty-four months after  
11 the auditing Party's receipt of an invoice giving rise to such cost obligations; and (ii) for an audit  
12 relating to all other obligations, the applicable audit rights period shall be twenty-four months  
13 after the event for which the audit is sought.

14 **25.5 Audit Results.**

15 If an audit by a Party determines that an overpayment or an  
16 underpayment has occurred, a notice of such overpayment or underpayment shall be given to the  
other Party together with those records from the audit which support such determination.

17 **ARTICLE 26. SUBCONTRACTORS**

18 **26.1 General.**

19 Nothing in this LGIA shall prevent a Party from utilizing the services of  
20 any subcontractor as it deems appropriate to perform its obligations under this LGIA; provided,  
21 however, that each Party shall require its subcontractors to comply with all applicable terms and  
22 conditions of this LGIA in providing such services and each Party shall remain primarily liable  
to the other Party for the performance of such subcontractor.

23 **26.2 Responsibility of Principal.**

24 The creation of any subcontract relationship shall  
25 not relieve the hiring Party of any of its obligations under this LGIA. The hiring Party shall be  
26 fully responsible to the other Party for the acts or omissions of any subcontractor the hiring Party  
27 hires as if no subcontract had been made; provided, however, that in no event shall Transmission  
28 Provider be liable for the actions or inactions of Interconnection Customer or its subcontractors  
29 with respect to obligations of Interconnection Customer under Article 5 of this LGIA. Any  
30 applicable obligation imposed by this LGIA upon the hiring Party shall be equally binding upon,  
and shall be construed as having application to, any subcontractor of such Party.

31 **26.3 No Limitation by Insurance.**

32 The obligations under this Article 26 will not be  
limited in any way by any limitation of subcontractor's insurance.

33 **ARTICLE 27. DISPUTES**

34 **27.1 Submission.**

35 In the event either Party has a dispute, or asserts a claim, that arises  
36 out of or in connection with this LGIA or its performance, such Party (the "disputing Party")  
37 shall provide the other Party with written notice of the dispute or claim ("Notice of Dispute").  
38 Such dispute or claim shall be referred to a designated senior representative of each Party for  
39 resolution on an informal basis as promptly as practicable after receipt of the Notice of Dispute  
40 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

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

6 **27.2 External Arbitration Procedures.** Any arbitration initiated under this LGIA  
7 shall be conducted before a single neutral arbitrator appointed by the Parties. If the Parties fail to  
8 agree upon a single arbitrator within ten (10) Calendar Days of the submission of the dispute to  
9 arbitration, each Party shall choose one arbitrator who shall sit on a three-member arbitration  
10 panel. The two arbitrators so chosen shall within twenty (20) Calendar Days select a third  
11 arbitrator to chair the arbitration panel. In either case, the arbitrators shall be knowledgeable in  
12 electric utility matters, including electric transmission and bulk power issues, and shall not have  
13 any current or past substantial business or financial relationships with any party to the arbitration  
14 (except prior arbitration). The arbitrator(s) shall provide each of the Parties an opportunity to be  
15 heard and, except as otherwise provided herein, shall conduct the arbitration in accordance with  
16 the Commercial Arbitration Rules of the American Arbitration Association ("Arbitration Rules")  
17 and any applicable FERC regulations or RTO rules; provided, however, in the event of a conflict  
18 between the Arbitration Rules and the terms of this Article 27, the terms of this Article 27 shall  
19 prevail.

20 **27.3 Arbitration Decisions.** Unless otherwise agreed by the Parties, the arbitrator(s)  
21 shall render a decision within ninety (90) Calendar Days of appointment and shall notify the  
22 Parties in writing of such decision and the reasons therefor. The arbitrator(s) shall be authorized  
23 only to interpret and apply the provisions of this LGIA and shall have no power to modify or  
24 change any provision of this Agreement in any manner. The decision of the arbitrator(s) shall be  
25 final and binding upon the Parties, and judgment on the award may be entered in any court  
26 having jurisdiction. The decision of the arbitrator(s) may be appealed solely on the grounds that  
27 the conduct of the arbitrator(s), or the decision itself, violated the standards set forth in the  
28 Federal Arbitration Act or the Administrative Dispute Resolution Act. The final decision of the  
29 arbitrator must also be filed with FERC if it affects jurisdictional rates, terms and conditions of  
30 service, Interconnection Facilities, or Network Upgrades.

31 **27.4 Costs.** Each Party shall be responsible for its own costs incurred during the  
32 arbitration process and for the following costs, if applicable: (1) The cost of the arbitrator chosen  
33 by the Party to sit on the three member panel and one half of the cost of the third arbitrator  
34 chosen; or (2) one half the cost of the single arbitrator jointly chosen by the Parties.

35 **ARTICLE 28. REPRESENTATIONS, WARRANTIES AND COVENANTS**

36 **28.1 General.** Each Party makes the following representations, warranties and  
37 covenants:

38 **28.1.1 Good Standing.** Such Party is duly organized, validly existing and in good  
39 standing under the laws of the state in which it is organized, formed, or incorporated, as  
40 applicable; that it is qualified to do business in the state or states in which the Large Generating  
41 Facility, Interconnection Facilities and Network Upgrades owned by such Party, as applicable,  
42 are located; and that it has the corporate power and authority to own its properties, to carry on its  
43 business as now being conducted and to enter into this LGIA and carry out the transactions

1 contemplated hereby and perform and carry out all covenants and obligations on its part to be  
2 performed under and pursuant to this LGIA.

3 **28.1.2 Authority.** Such Party has the right, power and authority to enter into this LGIA,  
4 to become a Party hereto and to perform its obligations hereunder. This LGIA is a legal, valid  
5 and binding obligation of such Party, enforceable against such Party in accordance with its terms,  
6 except as the enforceability thereof may be limited by applicable bankruptcy, insolvency,  
7 reorganization or other similar laws affecting creditors' rights generally and by general equitable  
8 principles (regardless of whether enforceability is sought in a proceeding in equity or at law).

9 **28.1.3 No Conflict.** The execution, delivery and performance of this LGIA does not  
10 violate or conflict with the organizational or formation documents, or bylaws or operating  
11 agreement, of such Party, or any judgment, license, permit, order, material agreement or  
12 instrument applicable to or binding upon such Party or any of its assets.

13 **28.1.4 Consent and Approval.** Such Party has sought or obtained, or, in accordance  
14 with this LGIA will seek or obtain, each consent, approval, authorization, order, or acceptance  
15 by any Governmental Authority in connection with the execution, delivery and performance of  
16 this LGIA, and it will provide to any Governmental Authority notice of any actions under this  
17 LGIA that are required by Applicable Laws and Regulations.

## 18 **ARTICLE 29. JOINT OPERATING COMMITTEE**

### 19 **29.1 Joint Operating Committee**

20 Except in the case of ISOs and RTOs, Transmission Provider shall constitute a Joint  
21 Operating Committee to coordinate operating and technical considerations of Interconnection  
22 Service. At least six (6) months prior to the expected Initial Synchronization Date,  
23 Interconnection Customer and Transmission Provider shall each appoint one representative and  
24 one alternate to the Joint Operating Committee. Each Interconnection Customer shall notify  
25 Transmission Provider of its appointment in writing. Such appointments may be changed at any  
26 time by similar notice. The Joint Operating Committee shall meet as necessary, but not less than  
27 once each calendar year, to carry out the duties set forth herein. The Joint Operating Committee  
28 shall hold a meeting at the request of either Party, at a time and place agreed upon by the  
29 representatives. The Joint Operating Committee shall perform all of its duties consistent with the  
30 provisions of this LGIA. Each Party shall cooperate in providing to the Joint Operating  
31 Committee all information required in the performance of the Joint Operating Committee's  
32 duties. All decisions and agreements, if any, made by the Joint Operating Committee, shall be  
33 evidenced in writing. The duties of the Joint Operating Committee shall include the following:

34 **29.1.1** Establish data requirements and operating record requirements.

35 **29.1.2** Review the requirements, standards, and procedures for data acquisition equipment,  
36 protective equipment, and any other equipment or software.

37 **29.1.3** Annually review the one (1) year forecast of maintenance and planned outage  
38 schedules of Transmission Provider's and Interconnection Customer's facilities at the Point of  
39 Interconnection.

1 29.1.4 Coordinate the scheduling of maintenance and planned outages on the Interconnection  
2 Facilities, the Large Generating Facility and other facilities that impact the normal operation of  
3 the interconnection of the Large Generating Facility to the Transmission System.

4 29.1.5 Ensure that information is being provided by each Party regarding equipment  
5 availability.

6 29.1.6 Perform such other duties as may be conferred upon it by mutual agreement of the  
7 Parties.

## 8 ARTICLE 30. MISCELLANEOUS

9 **30.1 Binding Effect.** This LGIA and the rights and obligations hereof, shall be binding  
10 upon and shall inure to the benefit of the successors and assigns of the Parties hereto.

11 **30.2 Conflicts.** In the event of a conflict between the body of this LGIA and any  
12 attachment, appendices or exhibits hereto, the terms and provisions of the body of this LGIA  
13 shall prevail and be deemed the final intent of the Parties.

14 **30.3 Rules of Interpretation.** This LGIA, unless a clear contrary intention appears,  
15 shall be construed and interpreted as follows: (1) The singular number includes the plural  
16 number and vice versa; (2) reference to any person includes such person's successors and assigns  
17 but, in the case of a Party, only if such successors and assigns are permitted by this LGIA, and  
18 reference to a person in a particular capacity excludes such person in any other capacity or  
19 individually; (3) reference to any agreement (including this LGIA), document, instrument or  
20 tariff means such agreement, document, instrument, or tariff as amended or modified and in  
21 effect from time to time in accordance with the terms thereof and, if applicable, the terms hereof;  
22 (4) reference to any Applicable Laws and Regulations means such Applicable Laws and  
23 Regulations as amended, modified, codified, or reenacted, in whole or in part, and in effect from  
24 time to time, including, if applicable, rules and regulations promulgated thereunder; (5) unless  
25 expressly stated otherwise, reference to any Article, Section or Appendix means such Article of  
26 this LGIA or such Appendix to this LGIA, or such Section to the LGIP or such Appendix to the  
27 LGIP, as the case may be; (6) "hereunder", "hereof", "herein", "hereto" and words of similar  
28 import shall be deemed references to this LGIA as a whole and not to any particular Article or  
29 other provision hereof or thereof; (7) "including" (and with correlative meaning "include")  
30 means including without limiting the generality of any description preceding such term; and (8)  
31 relative to the determination of any period of time, "from" means "from and including", "to"  
32 means "to but excluding" and "through" means "through and including".

33 **30.4 Entire Agreement.** This LGIA, including all Appendices and Schedules attached  
34 hereto, constitutes the entire agreement between the Parties with reference to the subject matter  
35 hereof, and supersedes all prior and contemporaneous understandings or agreements, oral or  
36 written, between the Parties with respect to the subject matter of this LGIA. There are no other  
37 agreements, representations, warranties, or covenants which constitute any part of the  
38 consideration for, or any condition to, either Party's compliance with its obligations under this  
39 LGIA.

40 **30.5 No Third Party Beneficiaries.** This LGIA is not intended to and does not create  
41 rights, remedies, or benefits of any character whatsoever in favor of any persons, corporations,

1 associations, or entities other than the Parties, and the obligations herein assumed are solely for  
2 the use and benefit of the Parties, their successors in interest and, where permitted, their assigns.

3 **30.6 Waiver.** The failure of a Party to this LGIA to insist, on any occasion, upon strict  
4 performance of any provision of this LGIA will not be considered a waiver of any obligation,  
5 right, or duty of, or imposed upon, such Party.

6 Any waiver at any time by either Party of its rights with respect to this LGIA shall not be  
7 deemed a continuing waiver or a waiver with respect to any other failure to comply with any  
8 other obligation, right, duty of this LGIA. Termination or Default of this LGIA for any reason  
9 by Interconnection Customer shall not constitute a waiver of Interconnection Customer's legal  
10 rights to obtain an interconnection from Transmission Provider. Any waiver of this LGIA shall,  
11 if requested, be provided in writing.

12 **30.7 Headings.** The descriptive headings of the various Articles of this LGIA have  
13 been inserted for convenience of reference only and are of no significance in the interpretation or  
14 construction of this LGIA.

15 **30.8 Multiple Counterparts.** This LGIA may be executed in two or more  
16 counterparts, each of which is deemed an original but all constitute one and the same instrument.

17 **30.9 Amendment.** The Parties may by mutual agreement amend this LGIA by a  
18 written instrument duly executed by the Parties.

19 **30.10 Modification by the Parties.** The Parties may by mutual agreement amend the  
20 Appendices to this LGIA by a written instrument duly executed by the Parties. Such amendment  
21 shall become effective and a part of this LGIA upon satisfaction of all Applicable Laws and  
22 Regulations.

23 **30.11 Reservation of Rights.** Transmission Provider shall have the right to make a  
24 unilateral filing with FERC to modify this LGIA with respect to any rates, terms and conditions,  
25 charges, classifications of service, rule or regulation under section 205 or any other applicable  
26 provision of the Federal Power Act and FERC's rules and regulations thereunder, and  
27 Interconnection Customer shall have the right to make a unilateral filing with FERC to modify  
28 this LGIA pursuant to section 206 or any other applicable provision of the Federal Power Act  
29 and FERC's rules and regulations thereunder; provided that each Party shall have the right to  
30 protest any such filing by the other Party and to participate fully in any proceeding before FERC  
31 in which such modifications may be considered. Nothing in this LGIA shall limit the rights of  
32 the Parties or of FERC under sections 205 or 206 of the Federal Power Act and FERC's rules and  
33 regulations thereunder, except to the extent that the Parties otherwise mutually agree as provided  
34 herein.

35 **30.12 No Partnership.** This LGIA shall not be interpreted or construed to create an  
36 association, joint venture, agency relationship, or partnership between the Parties or to impose  
37 any partnership obligation or partnership liability upon either Party. Neither Party shall have any  
38 right, power or authority to enter into any agreement or undertaking for, or act on behalf of, or to  
39 act as or be an agent or representative of, or to otherwise bind, the other Party.

1 In witness whereof, the Parties have executed this LGIA in duplicate originals, each of which  
2 shall constitute and be an original effective Agreement between the Parties.

3 **FLORIDA POWER & LIGHT COMPANY**

4 By: \_\_\_\_\_  
5 C. M. Mennes

6 Title: Vice President, Transmission and Substation

7 Date: \_\_\_\_\_

8 **ATTEST:**  
9 **CHARLIE GREEN CLERK OF COURT**

10 By: \_\_\_\_\_  
11 Deputy Clerk

**LEE COUNTY BOARD OF COUNTY  
COMMISSIONERS**

By: \_\_\_\_\_  
, Chair

12 Date: \_\_\_\_\_

13 **APPROVED AS TO FORM**

14 By: \_\_\_\_\_

15

1  
2  
3  
4  
5  
6  
7  
8

**Appendices to LGIA**

- Appendix A** Interconnection Facilities, Network Upgrades and Distribution Upgrades
- Appendix B** Milestones
- Appendix C** Interconnection Details
- Appendix D** Security Arrangements Details
- Appendix E** Commercial Operation Date
- Appendix F** Addresses for Delivery of Notices and Billings
- Appendix G** Interconnection Requirements for a Wind Generating Plant

1 **Appendix A**  
2 **To LGIA between Florida Power & Light Company and Lee County, Florida**

3 **Interconnection Facilities, Network Upgrades and Distribution Upgrades**

4 **Points of Interconnection and Change of Ownership**

5 **1) Point of Interconnection**

6 The Point of Interconnection will be at the point where the interconnecting 138kV radial line  
7 connects to the bus in Buckingham Substation as shown in Appendix C.

8 **2) Point of Change of Ownership**

9 The Point of Change of Ownership will be at the connection to the rigid bus inside of Lazy Acres  
10 Substation as shown in Appendix C.

11 **1. Interconnection Facilities:**

12 **(a) Interconnection Customer's Interconnection Facilities:**

13 **1) Substation:**

14 The new unit ("TG-2") will be connected through a 13.8kV breaker to a generator step-up  
15 ("GSU") transformer that will in turn connect through a 138kV breaker ("52L2") and a 138kV  
16 bus to a connection (Point of Change of Ownership) to the rigid bus inside of Lazy Acres  
17 Substation.

18 Interconnection Customer will expand, fill and grade the existing Lazy Acres substation yard to  
19 the south per Transmission Provider specifications. Interconnection Customer will procure and  
20 install new fence materials to enclose the Lazy Acres Substation as required by Transmission  
21 Provider.

22 Interconnection Customer will procure, engineer and install two 138kV disconnect switches,  
23 structures, buswork, 138kV breaker 52L2, and any other necessary equipment to complete the  
24 connection to the Transmission Provider's Interconnection Facilities.

25 **2) Siting:**

26 Interconnection Customer will do its own siting/permitting/clearing and construction work  
27 associated with the TG-2 addition.

28 **3) Transmission:**

29 The 138kV jumpers from the pulloff tower to the metering units will be 556 ACSR/AW to match  
30 the existing jumpers:

31 **Codes and Standards:**

32 Grounding shall be in accordance with IEEE Standard 80, latest edition. Lightning protection  
33 shall be in accordance with IEEE standard 998, latest addition.

34 **Conductor, Insulators and Hardware:**

35 Conductor, insulators and hardware shall meet NESC requirements and be installed in  
36 accordance with the manufacturer's recommendations.

37 **4) System Protection Facilities:**

38 Interconnection Customer will procure, engineer and install required System Protection Facilities  
39 for all unit TG-2 facilities to breaker 52L2 including breaker failure protection and undervoltage  
40 supervision of the breaker 52L2 control. Interconnection Customer will install a hand hole and



1 the necessary conduits from the new 138kV breaker 52L2 to the hand hole. Interconnection  
2 Customer will supply the AC and DC power for the 52L2 breaker controls. Interconnection  
3 Customer will provide current transformer (“CT”) circuits in the new bay #2.

4 The 52L2 breaker will connect to the existing Buckingham – Lazy Acres 138kV line and  
5 interface with the existing Transmission Provider line protection relays at Lazy Acres Substation.  
6 The primary relay system will require a CT from the 52L2 breaker and connections to the  
7 breaker trip coil #1. The backup relay system will require a separate CT from the 52L2 breaker  
8 and connections to the breaker trip coil #2.

9 5) Metering Equipment:

10 See Appendix D for telemetry requirements.

11 6) Cost Responsibility:

12 Interconnection Customer and Transmission Provider hereby acknowledge and agree that  
13 Interconnection Customer shall be responsible for all costs associated with construction of  
14 Interconnection Customer’s Interconnection Facilities, and Interconnection Customer’s  
15 acquisition of any Interconnection Customer Interconnection Facilities provided to  
16 Interconnection Customer by Transmission Provider.

17 **(b) Transmission Provider's Interconnection Facilities:**

18 Transmission Provider shall construct certain facilities necessary to interconnect the Generating  
19 Facility including, but not limited to, the following major facilities listed below. Variations in  
20 the type, specification and quantities may occur due to changes made during detailed  
21 engineering.

22 1) Substation:

23 Once the Lazy Acres Substation expansion has been completed by Interconnection Customer,  
24 Transmission Provider will engineer, design and construct a new 138kV hard bus tie (including  
25 buswork/structures/insulators) from the existing bay #1 bus supports to the new bay #2 position  
26 for connection to the Interconnection Customer.

27 2) Siting:

28 Transmission Provider will obtain any permits necessary to perform work in the Transmission  
29 Provider substations only.

30 3) Transmission

31 None

32 4) System Protection Facilities:

33 Transmission Provider will procure and install a second identical utility interface junction box  
34 for the bay #2 equipment to provide separation between the bays in case of failure or fire.  
35 Transmission Provider working in conjunction with Interconnection Customer will pull/install  
36 the necessary conduits from the hand hole installed by the Interconnection Customer to the utility  
37 interface junction box.

38 5) Metering Equipment:

39 Interconnection metering will be located at Lazy Acres Substation with high accuracy, metering  
40 class CTs and metering accuracy potential transformers. By the time of construction for the new  
41 generation interconnection, the existing generator (“TG1”) metering point will have been moved  
42 to a new location on the line side of the two generator tie points, such that, the net summation of

1 the two generators will be metered. The metering point will have a high accuracy, revenue grade  
2 kWh primary meter and a separate, high accuracy, backup meter. The metering will be  
3 compensated to the Point of Interconnection at Buckingham Substation.

4 The primary meter will be used as the meter of official registration unless it is unavailable due to  
5 maintenance or trouble. All meters will have an accuracy of +/- 0.3% or better. All instrument  
6 transformers will have an accuracy of +/- 0.3% or better.

7 When both generators are off-line, station service and startup power will be supplied from the  
8 grid. If there is a large difference between full-scale generator power and minimum station  
9 service load, special retail metering will be needed. The station service will then be metered  
10 within the Lee County facility with special interlocks for registration when both generator  
11 breakers are open and power flow is from FPL.

12 6) Cost Responsibility:

13 Interconnection Customer and Transmission Provider hereby acknowledge and agree that the  
14 cost listed below is only an estimate. The cost for Transmission Provider's Interconnection  
15 Facilities, including Transmission Provider's acquisition of any Transmission Provider  
16 Interconnection Facilities provided to Transmission Provider by Interconnection Customer, to be  
17 constructed by Transmission Provider is estimated to be: \$146,000

18 Tax Gross-Up Liability: \$ 34,792.00

19 **2. Network Upgrades:**

20 **(a) Stand Alone Network Upgrades:**

21 **None**

22 **(b) Other Network Upgrades:**

23 **None**

24 **Supplemental Terms and Conditions**

25 There will be requirements for 138kV transmission line and substation bus clearances.  
26 Transmission Provider expects to cut in the metering and 138kV bus during an upcoming plant  
27 outage scheduled for early December 2006. Timing of these clearances will be dependent upon  
28 Interconnection Customer's plant outage. If the required clearances are cancelled or delayed due  
29 to Interconnection Customer, the scheduled completion date of this project may be delayed,  
30 which may in turn affect the estimated project cost.

31 **3. Distribution Upgrades:**

32 **None**

1 **Appendix B**  
2 **To LGIA between Florida Power & Light Company and Lee County, Florida**  
3 **Milestones**

4 The following shall be considered required Milestones for the Interconnection Customer in  
5 accordance with Section 5.5:

6 Notice and Security

- 7 1- Authorization to proceed with design and  
8 procurement: Dec. 10, 2006<sup>1</sup>  
9 2- Security in accordance with Article 11.5: Dec. 10, 2006<sup>1</sup>  
10 3- Authorization to proceed with construction: Dec. 10, 2006<sup>1</sup>

11 Facility

- 12 4- Initial Synchronization Date: Apr. 16, 2007  
13 5- Commercial Operation Date: July 15, 2007

14 Interconnection Customer's Interconnection Facilities

- 15 6- In-Service Date<sup>2</sup> Jan. 1, 2007

16 The following shall be considered required Milestones for Transmission Provider in accordance  
17 with Section 5.1.1, Standard Option:

18 Transmission Provider's Interconnection Facilities and Network Upgrades

- 19 1- In-Service Date<sup>3</sup> Jan. 1, 2007  
20 2- Initial Synchronization Date<sup>4</sup> Apr. 16, 2007  
21 3- Commercial Operation Date<sup>5</sup> July 15, 2007

---

<sup>1</sup> Date received by Transmission Provider.

<sup>2</sup> Date that Interconnection Customer has sufficiently completed Interconnection Customer's Interconnection Facilities in order to accept power from Transmission Provider.

<sup>3</sup> Date that Transmission Provider has sufficiently completed Transmission Provider's Interconnection Facilities in order to provide Customer with back feed power.

<sup>4</sup> Date that Transmission Provider has sufficiently completed Transmission Provider's Network Upgrades to the extent necessary to allow for Trial Operation at full power output, unless other arrangements are made by the Parties for such Trial Operation.

<sup>5</sup> Date on which the Generating Facility commences Commercial Operation as agreed to by the Parties.

1 **Appendix C**  
2 **To LGIA between Florida Power & Light Company and Lee County, Florida**

3 **Interconnection Details**

4 Large Generating Facility:

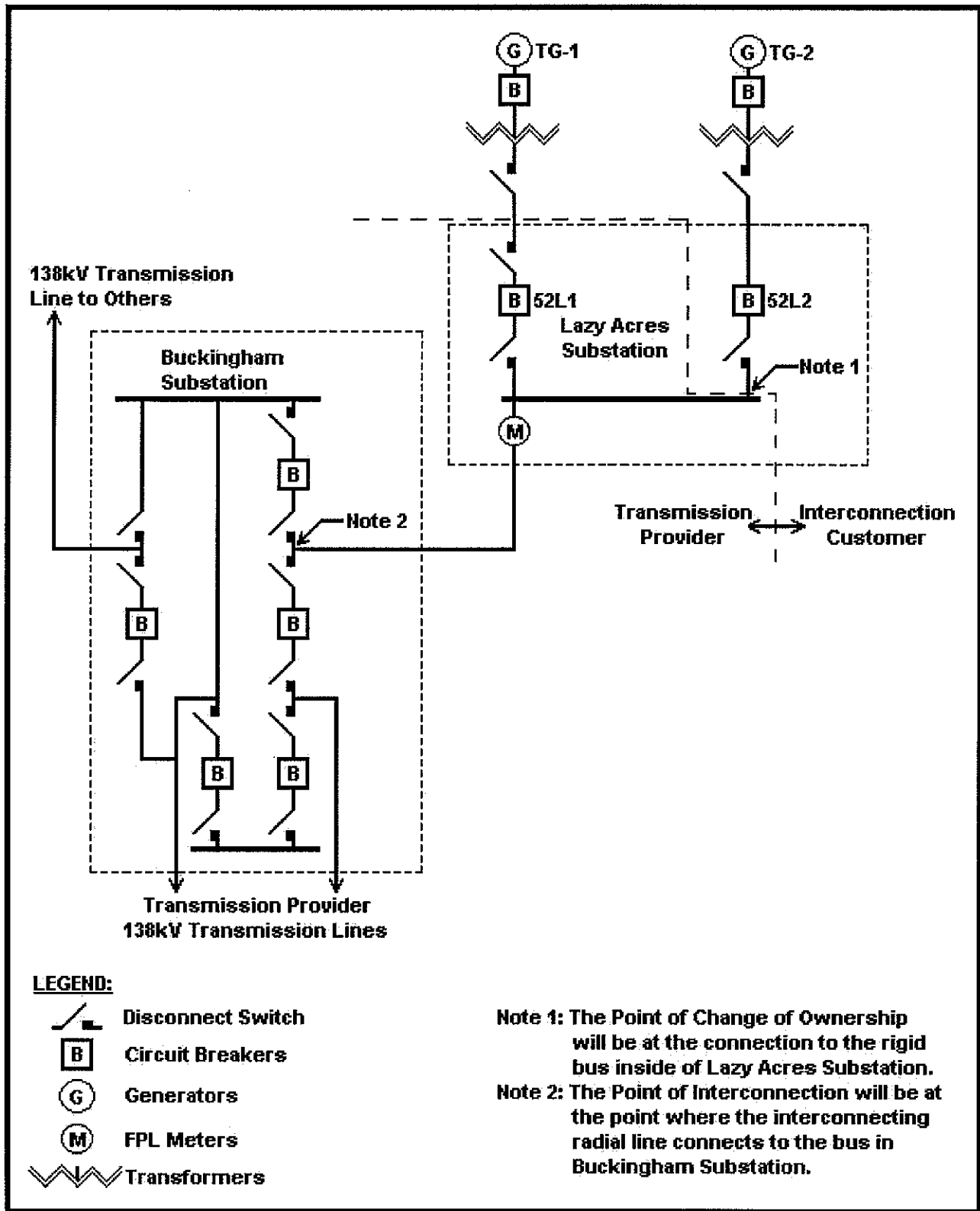
5 Interconnection Customer's electric generating plant with a capacity up to 21 MW (one (1) steam  
6 turbine generator, 1-21 MW) located in Lee County near to the Transmission Provider's Lazy  
7 Acres substation

8 Name: Lee County Expansion Project  
9 Generation type: Steam turbine  
10 Number of Units: One (1) steam turbines (1-21 MW)  
11 GSU Transformers: Not capable of changing taps under load.

12 The nominal voltage at the Point of Interconnection is 138kV.

13 There will be no automatic reclosing of the breakers in Lazy Acres Substation. The sequence of  
14 energization will be from the energized Transmission Provider system at Buckingham Substation  
15 to the de-energized Interconnection Customer facility. The 52L2 breaker will have close control  
16 from the Transmission Provider Buckingham – Lazy Acres 138kV line panel and RTU. The  
17 close control for the 52L2 breaker will be supervised by similar hot line dead bus logic that is  
18 used for the 52L1 breaker close control. Transmission Provider will provide a breaker control  
19 switch and indicating lights for 52L2 that will be located on the line panel ("PL969") at Lazy  
20 Acres Substation. Transmission Provider will also have supervisory open and close control of  
21 the 52L2 breaker. Interconnection Customer will be responsible for the breaker alarms.  
22 Interconnection Customer will have trip control (only) for the 52L2 breaker.

23 Synchronization of the Interconnection Customer generators will be to the hot FPL system.



1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15

**Appendix D**  
**To LGIA between Florida Power & Light Company and Lee County, Florida**

**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. The Commission will expect all Transmission Providers, market participants, and Interconnection Customers interconnected to the Transmission System to comply with the recommendations offered by the President's Critical Infrastructure Protection Board and, eventually, best practice recommendations from the electric reliability authority. All public utilities will be expected to meet basic standards for system infrastructure and operational security, including physical, operational, and cyber-security practices.

Transmission Provider telemetering is needed from the Generating Facility. The high-side bus voltage, net megawatts, net megavars, generator breaker status and voltage regulator status for the generator must be provided to the Transmission Provider System Control Center.

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16

**Appendix E**  
**To LGIA between Florida Power & Light Company and Lee County, Florida**

**Commercial Operation Date**

**[Date]**

Florida Power & Light Company  
Attn: Manager, Transmission services  
4200 West Flagler Street  
Miami, FL 33134

Re: \_\_\_\_\_ Large Generating Facility

Dear \_\_\_\_\_:

On **[Date]** Lee County, Florida has completed Trial Operation of Unit No. \_\_\_\_\_. This letter confirms that Lee County, Florida commenced Commercial Operation of Unit No. \_\_\_\_\_ at the Large Generating Facility, effective as of **[Date plus one day]**.

Thank you.

**[Signature]**

**[Interconnection Customer Representative]**

1 **Appendix F**

2 **To LGIA between Florida Power & Light Company and Lee County, Florida**

3 **Addresses for Delivery of Notices and Billings:**

4 **Notices:**

5 Transmission Provider:

6 Florida Power & Light Company  
7 Attn: Manager, Transmission Services  
8 4200 West Flagler Street  
9 Miami, FL 33134

10 Interconnection Customer:

11 Lee County Solid Waste Division  
12 Attn: Director  
13 Address: 10500 Buckingham Road  
14 Ft. Myers, FL 33905

15 **Billings and Payments:**

16 Transmission Provider:

17 Florida Power & Light Company  
18 Attn: Manager, Transmission Services  
19 4200 West Flagler Street  
20 Miami, FL 33134

21 Interconnection Customer:

22 Lee County Solid Waste Division  
23 Attn: Director  
24 Address: 10500 Buckingham Road  
25 Ft. Myers, FL 33905

26 **Alternative Forms of Delivery of Notices (telephone, facsimile or email):**

27 Transmission Provider:

28 Florida Power & Light Company  
29 Attn: Manager, Transmission Services  
30 Fax: (305) 442-5886  
31 Telephone: (305) 442-5268  
32 E-mail: [bill\\_locke@fpl.com](mailto:bill_locke@fpl.com)

33 Florida Power & Light Company  
34 Attn: Manager, System Operations  
35 Operational/Confirmation Fax: (305) 442-5047  
36 24 Hour Telephone: (305) 442-5744  
37 E-mail: [systemoperator@fpl.com](mailto:systemoperator@fpl.com)



1           Interconnection Customer:  
2           Lee County, Florida  
3           Attn: Solid Waste Director  
4           Fax: (239) 461-5871  
5           Telephone: (239) 338-3302  
6           E-mail: SAMPOLJ@LeeGov.com  
7           Lee County, Florida  
8           Attn: Lee WTE Facility Director  
9           Fax: (239) 337-2510  
10          Telephone: (239) 337-2200  
11          E-mail: JHOWARD@COVANTAENERGY.com

1 **Appendix G**  
2 **To LGIA between Florida Power & Light Company and Lee County, Florida**

3 **INTERCONNECTION REQUIREMENTS FOR A WIND GENERATING PLANT**

4 Appendix G sets forth requirements and provisions specific to a wind generating plant.  
5 All other requirements of this LGIA continue to apply to wind generating plant interconnections.

6 **A. Technical Standards Applicable to a Wind Generating Plant**

7 **i. Low Voltage Ride-Through (LVRT) Capability**

8 A wind generating plant shall be able to remain online during voltage disturbances up to  
9 the time periods and associated voltage levels set forth in the standard below. The LVRT  
10 standard provides for a transition period standard and a post-transition period standard.

11 **Transition Period LVRT Standard**

12 The transition period standard applies to wind generating plants subject to FERC Order  
13 661 that have either: (i) interconnection agreements signed and filed with the Commission, filed  
14 with the Commission in unexecuted form, or filed with the Commission as non-conforming  
15 agreements between January 1, 2006 and December 31, 2006, with a scheduled in-service date  
16 no later than December 31, 2007, or (ii) wind generating turbines subject to a wind turbine  
17 procurement contract executed prior to December 31, 2005, for delivery through 2007.

- 18 1. Wind generating plants are required to remain in-service during three-phase faults with  
19 normal clearing (which is a time period of approximately 4 – 9 cycles) and single line to  
20 ground faults with delayed clearing, and subsequent post-fault voltage recovery to prefault  
21 voltage unless clearing the fault effectively disconnects the generator from the system. The  
22 clearing time requirement for a three-phase fault will be specific to the wind generating plant  
23 substation location, as determined by and documented by the transmission provider. The  
24 maximum clearing time the wind generating plant shall be required to withstand for a three-  
25 phase fault shall be 9 cycles at a voltage as low as 0.15 p.u., as measured at the high side of  
26 the wind generating plant step-up transformer (i.e. the transformer that steps the voltage up to  
27 the transmission interconnection voltage or “GSU”), after which, if the fault remains  
28 following the location-specific normal clearing time for three-phase faults, the wind  
29 generating plant may disconnect from the transmission system.
- 30 2. This requirement does not apply to faults that would occur between the wind generator  
31 terminals and the high side of the GSU or to faults that would result in a voltage lower than  
32 0.15 per unit on the high side of the GSU serving the facility.
- 33 3. Wind generating plants may be tripped after the fault period if this action is intended as part  
34 of a special protection system.
- 35 4. Wind generating plants may meet the LVRT requirements of this standard by the  
36 performance of the generators or by installing additional equipment (e.g., Static VAr  
37 Compensator, etc.) within the wind generating plant or by a combination of generator  
38 performance and additional equipment.
- 39 5. Existing individual generator units that are, or have been, interconnected to the network at  
40 the same location at the effective date of the Appendix G LVRT Standard are exempt from

1 meeting the Appendix G LVRT Standard for the remaining life of the existing generation  
2 equipment. Existing individual generator units that are replaced are required to meet the  
3 Appendix G LVRT Standard.

4 **Post-transition Period LVRT Standard**

5 All wind generating plants subject to FERC Order No. 661 and not covered by the transition  
6 period described above must meet the following requirements:

- 7 1. Wind generating plants are required to remain in-service during three-phase faults with  
8 normal clearing (which is a time period of approximately 4 – 9 cycles) and single line to  
9 ground faults with delayed clearing, and subsequent post-fault voltage recovery to pre-fault  
10 voltage unless clearing the fault effectively disconnects the generator from the system. The  
11 clearing time requirement for a three-phase fault will be specific to the wind generating plant  
12 substation location, as determined by and documented by the transmission provider. The  
13 maximum clearing time the wind generating plant shall be required to withstand for a three-  
14 phase fault shall be 9 cycles after which, if the fault remains following the location-specific  
15 normal clearing time for three-phase faults, the wind generating plant may disconnect from  
16 the transmission system. A wind generating plant shall remain interconnected during such a  
17 fault on the transmission system for a voltage level as low as zero volts, as measured at the  
18 high voltage side of the wind GSU.
- 19 2. This requirement does not apply to faults that would occur between the wind generator  
20 terminals and the high side of the GSU.
- 21 3. Wind generating plants may be tripped after the fault period if this action is intended as part  
22 of a special protection system.
- 23 4. Wind generating plants may meet the LVRT requirements of this standard by the  
24 performance of the generators or by installing additional equipment (e.g., Static VAR  
25 Compensator) within the wind generating plant or by a combination of generator  
26 performance and additional equipment.
- 27 5. Existing individual generator units that are, or have been, interconnected to the network at  
28 the same location at the effective date of the Appendix G LVRT Standard are exempt from  
29 meeting the Appendix G LVRT Standard for the remaining life of the existing generation  
30 equipment. Existing individual generator units that are replaced are required to meet the  
31 Appendix G LVRT Standard.

32 **ii. Power Factor Design Criteria (Reactive Power)**

33 A wind generating plant shall maintain a power factor within the range of 0.95 leading to 0.95  
34 lagging, measured at the Point of Interconnection as defined in this LGIA, if the Transmission  
35 Provider's System Impact Study shows that such a requirement is necessary to ensure safety  
36 or reliability. The power factor range standard can be met by using, for example, power  
37 electronics designed to supply this level of reactive capability (taking into account any  
38 limitations due to voltage level, real power output, etc.) or fixed and switched capacitors if  
39 agreed to by the Transmission Provider, or a combination of the two. The Interconnection  
40 Customer shall not disable power factor equipment while the wind plant is in operation.  
41 Wind plants shall also be able to provide sufficient dynamic voltage support in lieu of the  
42 power system stabilizer and automatic voltage regulation at the generator excitation system if  
43 the System Impact Study shows this to be required for system safety or reliability.

1                    **iii.    Supervisory Control and Data Acquisition (SCADA) Capability**

2                    The wind plant shall provide SCADA capability to transmit data and receive instructions  
3 from the Transmission Provider to protect system reliability. The Transmission Provider and the  
4 wind plant Interconnection Customer shall determine what SCADA information is essential for  
5 the proposed wind plant, taking into account the size of the plant and its characteristics, location,  
6 and importance in maintaining generation resource adequacy and transmission system reliability  
7 in its area.