

**RULE 21 GENERATOR INTERCONNECTION AGREEMENT (GIA)
FOR EXPORTING GENERATING FACILITIES
INTERCONNECTING UNDER THE INDEPENDENT STUDY,
DISTRIBUTION GROUP STUDY, OR TRANSMISSION CLUSTER
STUDY PROCESS**

BETWEEN

COUNTY OF SANTA BARBARA

AND

SOUTHERN CALIFORNIA EDISON COMPANY

**PROJECT:
TAJIGUAS RESOURCE RECOVERY PROJECT ADF
(SCE GFID8554)**

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GENERATOR INTERCONNECTION AGREEMENT

THIS GENERATOR INTERCONNECTION AGREEMENT (“GIA” or “Agreement”) is made and entered into this day on _____, by and between County of Santa Barbara, a political subdivision of the State of California organized and existing under the laws of the State/Commonwealth of California (“Interconnection Customer” with a Generating Facility), and Southern California Edison Company, a corporation organized and existing under the laws of the State of California (“Distribution Provider and/or Distribution Owner”). Interconnection Customer and Distribution Provider each may be referred to as a “Party” or collectively as the “Parties.” This Agreement shall be used for interconnection to the Distribution System through the Independent Study Process or Distribution Group Study Process in the Distribution Provider’s California Public Utilities Commission (“CPUC” or “Commission”) approved Electric Rule 21 (“Rule 21”). This Agreement may also be used for interconnection to the Distribution System through the Transmission Cluster Study Process if FERC has approved changes to the Generator Interconnection Procedures set forth in the Distribution Provider’s WDAT which allow Interconnection Customer to sign this Agreement.

WHEREAS, Distribution Provider operates the Distribution System; and

WHEREAS, Interconnection Customer intends to own, lease and/or control and operate the Generating Facility identified in Appendix C to this Agreement; and,

WHEREAS, Interconnection Customer and Distribution Provider have agreed to enter into this Agreement for the purpose of interconnecting the Generating Facility with the Distribution System; and,

WHEREAS, the Interconnection Customer’s Interconnection Request was studied under the Independent Study Process, Distribution Group Study Process, or Transmission Cluster Study Process; and,

WHEREAS, Interconnection Customer has elected and qualifies for the Cost Envelope Option in accordance with Rule 21 Section F.7: Yes / No; and,

WHEREAS, the basis for the Parties entering into this Agreement is that Interconnection Customer is a Qualifying Facility (“QF”) and will sell all of its exports to the grid to the Distribution Provider under a power purchase agreement (“PPA”) entered into pursuant to the Public Utility Regulatory Policies Act of 1978 (“PURPA”); or, the basis for the Parties entering into this Agreement is: Interconnection Customer represents that it has entered into a BioMAT PPA (e.g., BioEnergy Market Adjusting Tariff, Power Purchase Agreement).

NOW, THEREFORE, in consideration of and subject to the mutual covenants contained herein, it is agreed:

When used in this Generator Interconnection Agreement, terms with initial capitalization that are not defined in Article 1 shall have the meanings specified in the Article in which they are used or in Rule 21 or in the Distribution Provider's WDAT.

Article 1. Definitions

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

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

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

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

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

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

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

Applicable Reliability Standards shall mean the requirements and guidelines of NERC, the Applicable Reliability Council, and the Control Area of the Distribution System to which the Generating Facility is directly interconnected, including the requirements pursuant to Section 215 of the Federal Power Act.

Applicant shall mean the entity submitting an Interconnection Request pursuant to Rule 21.

Base Case shall mean data including, but not limited to, base case power flow, short circuit, and dynamic/stability data bases, underlying load, generation, and transmission facility assumptions, contingency lists, including relevant special protection systems, and transmission diagrams used to perform the Interconnection Studies. The Base Case may include Critical Energy Infrastructure Information (as that term is defined by FERC). The Base Case shall include (a) transmission facilities as approved by the Distribution Provider or CAISO, as

applicable, (b) planned distribution upgrades that may have an impact on the Interconnection Request, (c) Distribution Upgrades and Network Upgrades associated with generating facilities in (iv) below, and (d) generating facilities that (i) are directly interconnected to the Distribution System or CAISO Grid; (ii) are interconnected to Affected Systems and may have an impact on the Interconnection Request; (iii) have a pending request to interconnect to the Distribution System, Transmission System, or an Affected System; or (iv) are not interconnected to the Distribution System or CAISO Grid, but are subject to a fully executed generator interconnection agreement (or its equivalent predecessor agreement) or for which an unexecuted generator interconnection agreement (or its equivalent predecessor agreement) has been requested to be filed with FERC.

Breach shall mean the failure of a Party to perform or observe any material term or condition of the GIA.

Breaching Party shall mean a Party that is in Breach of the GIA.

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

CAISO shall mean the California Independent System Operator Corporation, a state-chartered, nonprofit, corporation that controls certain transmission facilities of all Participating Transmission Owners and dispatches certain generating units and loads.

CAISO Grid shall mean the system of transmission lines and associated facilities of the Participating Transmission Owners that have been placed under the CAISO's Operational Control.

CAISO Tariff shall mean the California Independent System Operator Corporation Operating Agreement and Tariff, as it may be modified from time to time, and accepted by the FERC.

CAISO's Generator Interconnection Procedures (CAISO Tariff GIP) shall mean the procedures included in the CAISO Tariff to interconnect a Generating Facility directly to the CAISO Grid, as such procedures may be modified from time to time, and accepted by FERC.

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

Commercial Operation shall mean the status of a Generating Facility that has commenced generating electricity, excluding electricity generated during period which the Producer is engaged in on-site test operations and commissioning of the Generating Facility prior to Commercial Operation.

Commercial Operation Date shall mean the date on which a Generator at a Generating Facility commences Commercial Operation as agreed to by the Parties.

Commissioning Testing shall mean testing performed during the commissioning of all or part of a Generating Facility pursuant to Rule 21.

Confidential Information: See Rule 21 Section D.7 and Article 22 of this GIA.

Construction Activities shall mean actions by the Distribution Provider that result in irrevocable financial commitments for the purchase of major electrical equipment or land for Distribution Provider's Interconnection Facilities, Distribution Upgrades, or Network Upgrades assigned to the Interconnection Customer that occur after receipt of all appropriate governmental approvals needed for the Distribution Provider's Interconnection Facilities, Distribution Upgrades, or Network Upgrades.

Control Area shall mean Control Area as defined in the CAISO Tariff.

Cost Envelope Option – shall mean the option described in Rule 21 Section F.7 applicable to Interconnection Requests evaluated under the Fast Track Process or Independent Study Process that meet the specified eligibility requirements.

Customer shall mean the entity that receives or is entitled to receive Distribution Service through Distribution Provider's Distribution System or is a retail Customer of Distribution Provider connected to the Transmission System.

Default shall mean the failure of a Breaching Party to cure its Breach in accordance with Article 17 of the GIA.

Detailed Study Agreement shall mean the agreement entered into by the Interconnection Customer and Distribution Provider which sets forth the Parties' agreement to perform Interconnection Studies under the Independent Study Process or the Distribution Group Study Process.

DGS Phase I Interconnection Study shall mean the Distribution Group Study (DGS) Phase I Interconnection Study performed by the Distribution Provider under the Distribution Group Study Process per Rule 21 Section G.3.c.i.

DGS Phase II Interconnection Study shall mean the Distribution Group Study (DGS) Phase I Interconnection Study performed by the Distribution Provider under the Distribution Group Study Process per Rule 21 Section G.3.c.ii.

Distribution Group Study Process shall mean the interconnection study process set forth in Rule 21 Section F.3.c.

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

Distribution Provider shall mean Southern California Edison Company.

Distribution Provider's Interconnection Facilities shall mean all facilities and equipment owned, controlled or operated by the Distribution Provider from the Point of Change of Ownership to the Point of Interconnection as identified in Appendix A to the GIA, including

any modifications, additions or upgrades to such facilities and equipment. Distribution Provider's Interconnection Facilities are sole use facilities and shall not include Distribution Upgrades, Stand Alone Network Upgrades or Network Upgrades.

Distribution Service shall mean the service of delivering energy over the Distribution System pursuant to the approved tariffs of the Distribution Provider other than services directly related to the Interconnection of a Generating Facility under Rule 21.

Distribution System shall mean all electric wires, equipment, and other facilities owned, controlled and operated by the Distribution Provider, other than Interconnection Facilities or the Transmission System, by which Distribution Provider provides Distribution Service to its Customers.

Distribution Upgrades shall mean the additions, modifications, and upgrades to the Distribution Provider's Distribution System at or beyond the Point of Interconnection to facilitate interconnection of the Generating Facility and render the Distribution Service. Distribution Upgrades do not include Interconnection Facilities.

Effective Date shall mean the date on which the GIA becomes effective upon execution by the Parties.

Emergency shall mean whenever in Distribution Provider's discretion an Unsafe Operating Condition or other hazardous condition exists or whenever access is necessary for emergency service restoration, and such immediate action is necessary to protect persons, Distribution Provider's facilities or property of others from damage or interference caused by Interconnection Customer's Generating Facility, or the failure of protective device to operate properly, or a malfunction of any electrical system equipment or a component part thereof.

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

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

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

FERC shall mean the Federal Energy Regulatory Commission or its successor.

Full Capacity Deliverability Status shall be as defined in the CAISO Tariff.

Generating Facility shall mean all generators, electrical wires, equipment, and other facilities owned or provided by Producer for the purpose of producing electric power, including storage.

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

Generator shall mean a device converting mechanical, chemical, or solar energy into electrical energy, including all of its protective and control functions and structural appurtenances. One or more Generators comprise a Generating Facility.

Generator Interconnection Agreement (GIA) shall mean the agreement between Distribution Provider and the Producer providing for the Interconnection of a Generating Facility that give certain rights and obligations to effect or end Interconnection.

Generator Interconnection Procedures (GIP) shall mean the interconnection procedures applicable to an Interconnection Request pertaining to a Generating Facility set forth in Attachment I of the Distribution Provider's WDAT, subject to any modifications FERC may direct in the exercise of its jurisdiction.

Generator Interconnection Study Process Agreement shall mean the agreement between the Distribution Customer and the Interconnection Customer for conducting the Interconnection Studies for a proposed Generating Facility under the Transmission Cluster Study Process, a *pro forma* version of which is set forth in Appendix 3 of the GIP.

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

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

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

Independent Study Process shall mean the interconnection study process set forth in Rule 21 Section F.3.b.

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

In-Service Date shall mean the estimated date upon which the Interconnection Customer reasonably expects it will be ready to begin use of the Distribution Provider's Interconnection Facilities.

Interconnection; Interconnected shall mean the physical connection of a Generating Facility in accordance with the requirements of Rule 21 so that Parallel Operation with Distribution Provider's Distribution or Transmission System can occur (has occurred).

Interconnection Customer: The definition of "Interconnection Customer" in this Agreement is intended to be identical to and used interchangeably with the definition of "Producer" in Rule 21.

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

Interconnection Facilities shall mean the electrical wires, switches and related equipment that are required in addition to the facilities required to provide electric Distribution Service to a Customer to allow Interconnection. Interconnection Facilities may be located on either side of the Point of Common Coupling as appropriate to their purpose and design. Interconnection Facilities may be integral to a Generating Facility or provided separately. Interconnection Facilities may be owned by either the Producer or the Distribution Provider.

Interconnection Facilities Study shall mean a study conducted by the Distribution Provider for an Interconnection Customer under the Independent Study Process to determine a list of facilities (including Distribution Provider's Interconnection Facilities, Distribution Upgrades, and Network Upgrades as identified in the Interconnection System Impact Study), the cost of those facilities, and the time required to interconnect the Generating Facility with the Distribution Provider's Distribution or Transmission System. The scope of the study is defined in Rule 21 Section G.3.c.

Interconnection Financial Security: Any of the financial instruments listed in Rule 21 Section F.4.a.

Interconnection Handbook shall mean a handbook, developed by the Distribution Provider and posted on the Distribution Provider's website or otherwise made available by the Distribution Provider, describing the technical and operational requirements for wholesale generators and loads connected to the Distribution System, as such handbook may be modified or superseded from time to time. Distribution Provider's standards contained in the Interconnection Handbook shall be deemed consistent with Good Utility Practice and Applicable

Reliability Standards. In the event of a conflict between the terms of this GIA and the terms of the Distribution Provider's Interconnection Handbook, the terms in this GIA shall govern.

Interconnection Request shall mean an Applicant's request to interconnect a new Generating Facility, or to increase the capacity of, or make a Material Modification to the operating characteristics of, an existing Generating Facility that is interconnected with the Distribution Provider's Distribution or Transmission System.

Interconnection Service shall mean the service provided by the Distribution Provider associated with interconnecting the Interconnection Customer's Generating Facility to the Distribution Provider's Distribution System and enabling it to receive electric energy and capacity from the Generating Facility at the Point of Interconnection, pursuant to the terms of the GIA and, if applicable, the Distribution Provider's Rule 21.

Interconnection Study shall mean a study to establish the requirements for Interconnection of a Generating Facility with Distribution Provider's Distribution System or Transmission System, pursuant to Rule 21. For an Applicant in the Transmission Cluster Study Process, this shall mean any of the following studies: the Phase I Interconnection Study and the Phase II Interconnection Study described in Section 4.5 and Section 4.6 of the GIP. For an Applicant in the Distribution Group Study Process, this shall mean any of the following studies: the DGS Phase I Interconnection Study and the DGS Phase II Interconnection Study. For an Applicant in the Independent Study Process, this shall mean any of the following studies: the Interconnection System Impact Study and the Interconnection Facilities Study.

Interconnection System Impact Study shall mean an engineering study conducted by the Distribution Provider for an Interconnection Customer under the Independent Study Process that evaluates the impact of the proposed interconnection on the safety and reliability of Distribution Provider's Distribution System and/or Transmission System and, if applicable, an Affected System. The scope of the study is defined in Rule 21 Section G.3.c.

IRS shall mean the Internal Revenue Service.

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

Material Modification shall mean those modifications that have a material impact on cost or timing of any Interconnection Request with the same or a later queue priority date or a change in Point of Interconnection. A Material Modification does not include a change in ownership of a Generating Facility.

Metering shall mean the measurement of electrical power in kilowatts (kW) and/or energy in kilowatt-hours (kWh), and if necessary, reactive power in kVAR at a point, and its display to Distribution Provider, as required by Rule 21.

Metering Equipment shall mean all equipment, hardware, software, including meter cabinets, conduit, etc., that are necessary for Metering..

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

Network Upgrades shall mean Network Upgrades as defined by the CAISO Tariff.

Operational Control shall mean the rights of the CAISO under the Transmission Control Agreement and the CAISO Tariff to direct the parties to the Transmission Control Agreement how to operate their transmission lines and facilities and other electric plant affecting the reliability of those lines and facilities for the purpose of affording comparable non-discriminatory transmission access and meeting applicable reliability criteria.

Parallel Operation shall mean the simultaneous operation of a Generator with power delivered or received by Distribution Provider while Interconnected. For the purpose of Rule 21, Parallel Operation includes only those Generating Facilities that are Interconnected with Distribution Provider's Distribution or Transmission System for more than 60 cycles (one second).

Participating Transmission Owner shall mean an entity which (i) owns, operates, and maintains transmission lines and associated facilities and/or has entitlements to use certain transmission lines and associated facilities and (ii) has transferred to the CAISO operational control of such facilities and/or entitlements to be made part of the CAISO Grid.

Party or Parties shall mean Producer and/or Distribution Provider.

Phase I Interconnection Study shall mean an engineering study for Applicants in the Transmission Cluster Study Process as defined in the WDAT.

Phase II Interconnection Study shall mean an engineering and operational study for Applicants in the Transmission Cluster Study Process conducted by the Distribution Provider to determine the Point of Interconnection and a list of facilities (including Distribution Provider's Interconnection Facilities, Network Upgrades, Distribution Upgrades, and Stand Alone Network Upgrades), the estimated cost of those facilities, the costs allocated to each project, and the estimated time required to interconnect the Generating Facility(ies) with the Distribution System. The portion of the study required to evaluate the impacts on the CAISO Grid will be coordinated with the CAISO and will be completed in a manner consistent with the CAISO Tariff GIP.

Point of Change of Ownership shall mean the point, as set forth in Appendix A to the GIA, where the Interconnection Customer's Interconnection Facilities connect to the Distribution Provider's Interconnection Facilities.

Point of Interconnection shall mean the point where the Interconnection Facilities connect with Distribution Provider's Distribution or Transmission System. This may or may not be coincident with the Point of Common Coupling.

Pre-Construction Activities shall mean the actions by the Distribution Provider, other than those required by an Engineering and Procurement Agreement under Section F.3.f. of Rule 21 or Section 8 of the GIP, undertaken prior to Construction Activities in order to prepare for the construction of the Distribution Provider's Interconnection Facilities, Distribution Upgrades, or Network Upgrades assigned to the Interconnection Customer, including, but not limited to, preliminary engineering, permitting activities, environmental analysis, or other activities specifically needed to obtain governmental approvals for the Distribution Provider's Interconnection Facilities, Distribution Upgrades, or Network Upgrades.

Producer shall mean the entity that executes a GIA with Distribution Provider. Producer may or may not own or operate the Generating Facility, but is responsible for the rights and obligations related to the Generator Interconnection Agreement.

Qualifying Facility (QF) shall mean a qualifying cogeneration facility or qualifying small power production facility, as defined in the Code of Federal Regulations, Title 18, Part 292 (18 C.F.R. §292).

Reasonable Efforts shall mean, with respect to an action required to be attempted or taken by a Party under the GIA, efforts that are timely and consistent with Good Utility Practice and are otherwise substantially equivalent to those a Party would use to protect its own interests.

Results Meeting for Applicants in the Transmission Cluster Study Process shall mean the meeting among the Distribution Provider, the Interconnection Customer, and, if applicable, the CAISO and other Affected System operators to discuss the results of the Phase I Interconnection Study as set forth in Section 4.5.7 of the GIP. Results Meeting for Applicants in the Distribution Group Study Process shall mean the meetings among the Distribution Provider, the Interconnection Customer, and, if applicable, the CAISO to discuss either the results of the DGS Phase I Interconnection Study as set forth in Rule 21 Section F.3.c.v. or the results of the DGS Phase II Interconnection Study as set forth in Rule 21 Section F.3.c.xi. Results Meeting for Applicants in the Independent Study Process shall mean the meetings among the Distribution Provider, the Interconnection Customer, and, if applicable, the CAISO to discuss either the results of the Interconnection System Impact Study as set forth in Rule 21 Section F.3.b.iii. or the results of the Interconnection Facilities Study as set forth in Rule 21 Section F.3.b.ix.

Stand Alone Network Upgrades shall mean Network Upgrades that an Interconnection Customer may construct without affecting day-to-day operations of the Transmission System during their construction. Both the Distribution Provider and the Interconnection Customer must agree as to what constitutes Stand Alone Network Upgrades and identify them in Appendix A to the GIA.

System Integrity shall mean the condition under which Distribution Provider's Distribution and Transmission System is deemed safe and can reliably perform its intended functions in accordance with the safety and reliability rules of Distribution Provider.

System Protection Facilities shall mean the equipment, including necessary protection signal communications equipment, required to protect (1) the Distribution Provider's Distribution System, the CAISO Controlled Grid, and Affected Systems from faults or other electrical disturbances occurring at the Generating Facility and (2) the Generating Facility from faults or

other electrical system disturbances occurring on the Distribution Provider's Distribution System, the CAISO Controlled Grid or on other delivery systems or other generating systems to which the Distribution Provider's Distribution System and Transmission System is directly connected.

Transmission Cluster Study Process shall mean the Transmission Cluster Study Process set forth in GIP Section 4.

Transmission Control Agreement shall mean CAISO FERC Electric Tariff No. 7, as it may be modified from time to time, and accepted by the FERC, or any successor agreement.

Transmission System shall mean those transmission facilities owned by the Distribution Provider that have been placed under the CAISO's Operational Control and are part of the CAISO Grid, as defined in the CAISO Tariff.

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

Uncontrollable Force shall mean any act of God, labor disturbance, act of the public enemy, war, insurrection, riot, fire, storm, flood, earthquake, explosion, breakage or accident to machinery or equipment, any curtailment, order, regulation or restriction imposed by governmental, military or lawfully established civilian authorities, or any other cause beyond the reasonable control of the Distribution Provider or Interconnection Customer which could not be avoided through the exercise of Good Utility Practice. An Uncontrollable Force event does not include acts of negligence or intentional wrongdoing by the Party claiming Uncontrollable Force.

Unsafe Operating Conditions shall mean conditions that, if left uncorrected, could result in harm to personnel, damage to equipment, loss of System Integrity or operation outside pre-established parameters required by the Generator Interconnection Agreement.

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

Article 2. Effective Date, Term, and Termination

2.1 Effective Date. This GIA shall become effective upon execution by the Parties.

2.2 Term of Agreement. Subject to the provisions of Article 2.3, this GIA shall remain in effect for a period of twenty (20) years from the Effective Date and shall be automatically renewed for each successive one-year period thereafter.

2.3 Termination Procedures.

2.3.1 Written Notice. This GIA may be terminated by Interconnection Customer after giving Distribution Provider ninety (90) Calendar Days advance written notice, or

by Distribution Provider after the Generating Facility permanently ceases Commercial Operation.

2.3.2 Default. Either Party may terminate this GIA in accordance with Article 17.

2.3.3 QF Status. If Rule 21 applicability for this interconnection is based on the Interconnection Customer maintaining QF status and selling all its exports to the grid to Distribution Provider under a PURPA PPA, then this provision applies and Distribution Provider may terminate this GIA if Interconnection Customer fails to maintain its QF status for the term of this GIA or upon termination of the Interconnection Customer's PURPA PPA.

2.3.3.1 If Section 2.3.3 applies, the Interconnection Customer is responsible for maintaining QF status and must notify Distribution Provider sixty (60) Calendar Days in advance of Interconnection Customer failing to maintain its QF status, selling to a third-party, or termination of its PURPA PPA. If Interconnection Customer fails to provide such notice, it is wholly responsible for any penalties incurred from any Governmental Authority or the CAISO, including penalties and charges incurred by the Distribution Provider as a result of this failure to notify the Distribution Provider.

2.3.4 If Interconnection Customer is no longer eligible for a Rule 21 interconnection then Distribution Provider may terminate this Agreement.

2.3.5 Notwithstanding Articles 2.3.1 and 2.3.2, and 2.3.3, no termination shall become effective until the Parties have complied with all Applicable Laws and Regulations applicable to such termination, and the Interconnection Customer has fulfilled its termination cost obligations under Article 2.4.

2.4 Termination Costs. If a Party elects to terminate this Agreement pursuant to Article 2.3 above, each Party shall pay all costs incurred (including any cancellation costs relating to orders or contracts for Interconnection Facilities and equipment) or charges assessed by the other Party, as of the date of the non-terminating Party's receipt of such notice of termination, that are the responsibility of the Party under this GIA. In the event of termination by a Party, the Parties shall use commercially Reasonable Efforts to mitigate the costs, damages and charges arising as a consequence of termination. Upon termination of this GIA:

2.4.1 With respect to any portion of Distribution Provider's Interconnection Facilities that have not yet been constructed or installed, Distribution Provider shall to the extent possible and with Interconnection Customer's authorization cancel any pending orders of, or return, any materials or equipment for, or contracts for construction of, such facilities; provided that in the event Interconnection Customer elects not to authorize such cancellation, Interconnection Customer shall assume all payment obligations with respect to such materials, equipment, and contracts, and Distribution Provider shall deliver such material and equipment, and, if necessary, assign such contracts, to Interconnection Customer

as soon as practicable, at Interconnection Customer's expense. To the extent that Interconnection Customer has already paid Distribution Provider for any or all such costs of materials or equipment not taken by Interconnection Customer, Distribution Provider shall promptly refund such amounts to Interconnection Customer, less any costs, including penalties incurred by Distribution Provider to cancel any pending orders of or return such materials, equipment, or contracts.

If an Interconnection Customer terminates this GIA or its GIA is terminated pursuant to Article 2.3 above, it shall be responsible for all costs incurred in association with that Interconnection Customer's interconnection, including any cancellation costs relating to orders or contracts for Interconnection Facilities and equipment, and other expenses including any Distribution Upgrades and Network Upgrades for which Distribution Provider has incurred expenses and has not been reimbursed by Interconnection Customer.

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

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

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

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

Article 3. [Intentionally Omitted]

Article 4. Scope of Service

4.1 Interconnection Service. Interconnection Service allows Interconnection Customer to connect the Generating Facility to the Distribution System and be eligible to deliver the Generating Facility's output using the capacity of the Distribution System to the CAISO

Grid. To the extent Interconnection Customer wants to receive Interconnection Service, Distribution Provider shall construct facilities identified in Appendices A and C that the Distribution Provider is responsible to construct.

- 4.2 Provision of Service.** Distribution Provider shall provide Interconnection Service for the Generating Facility at the Point of Interconnection.
- 4.3 Performance Standards.** Each Party shall perform all of its obligations under this GIA in accordance with Applicable Laws and Regulations, Applicable Reliability Standards, and Good Utility Practice, and to the extent a Party is required or prevented or limited in taking any action by such regulations and standards, such Party shall not be deemed to be in Breach of this GIA for its compliance therewith. If such Party is a Distribution Provider or Distribution Owner, then that Party shall amend the GIA.
- 4.4 No Distribution Service or Transmission Service.** The execution of this GIA does not constitute a request for, or the provision of, Distribution Service under any tariff or transmission service under any tariff.

Article 5. Interconnection Facilities Engineering, Procurement, and Construction

- 5.1 Options.** Unless otherwise mutually agreed to between the Parties, Interconnection Customer shall select the In-Service Date, Initial Synchronization Date, and Commercial Operation Date; and either Standard Option or Option to Build set forth below for completion of Distribution Provider's Interconnection Facilities, Distribution Upgrades, and Network Upgrades as set forth in Appendix A, Interconnection Facilities, Distribution Upgrades, and Network Upgrades, and such dates and selected option shall be set forth in Appendix B, Milestones.
- 5.1.1 Standard Option.** Distribution Provider shall design, procure, and construct Distribution Provider's Interconnection Facilities and Distribution Upgrades using Reasonable Efforts to complete Distribution Provider's Interconnection Facilities and Distribution Upgrades by the dates set forth in Appendix B, Milestones. Network Upgrades shall be designed, procured, and constructed in accordance with the CAISO Tariff using Reasonable Efforts to complete Network Upgrades by the dates set forth in Appendix B, Milestones. Distribution Provider shall not be required to undertake any action which is inconsistent with its standard safety practices, its material and equipment specifications, its design criteria and construction procedures, its labor agreements, and Applicable Laws and Regulations. In the event Distribution Provider reasonably expects that it will not be able to complete Distribution Provider's Interconnection Facilities, Distribution Upgrades, and Network Upgrades by the specified dates, Distribution Provider shall promptly provide written notice to Interconnection Customer and shall undertake Reasonable Efforts to meet the earliest dates thereafter.
- 5.1.2 [Intentionally Omitted.]**

5.1.3 Option to Build. If the dates designated by Interconnection Customer are not acceptable to Distribution Provider and if the Parties agree, Interconnection Customer shall have the option to assume responsibility for the design, procurement and construction of Distribution Provider's Interconnection Facilities and Stand Alone Network Upgrades. Interconnection Customer's Option to Build and any design, procurement, and construction pursuant to this option shall be subject to the approval of Distribution Provider and the provisions of Rule 21 Section I. Distribution Provider and Interconnection Customer must agree as to what constitutes Stand Alone Network Upgrades and identify such Stand Alone Network Upgrades in Appendix A. Except for Stand Alone Network Upgrades, Interconnection Customer shall have no right to construct Network Upgrades under this option. If Distribution Provider does not approve Interconnection Customer's Option to Build, the Standard Option applies.

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

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

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

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

(4) prior to commencement of construction, Interconnection Customer shall provide to Distribution Provider a schedule for construction of Distribution Provider's Interconnection Facilities and Stand Alone Network Upgrades, and shall promptly respond to requests for information from Distribution Provider;

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

(6) at any time during construction, should any phase of the engineering, equipment procurement, or construction of Distribution Provider's Interconnection Facilities and Stand Alone Network Upgrades not meet the standards and specifications provided by Distribution Provider, Interconnection

Customer shall be obligated to remedy deficiencies in that portion of Distribution Provider's Interconnection Facilities and Stand Alone Network Upgrades;

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

(8) Interconnection Customer shall transfer control of Distribution Provider's Interconnection Facilities to the Distribution Provider and shall transfer Operational Control of Stand Alone Network Upgrades to the CAISO;

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

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

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

5.3 [Intentionally Omitted.]

5.4 Power System Stabilizers. The Interconnection Customer shall procure, install, maintain and operate Power System Stabilizers in accordance with Applicable Reliability Standards, the guidelines and procedures established by the Applicable Reliability Council, and in accordance with the provisions of Section 4.6.5.1 of the CAISO Tariff. Distribution Provider reserves the right to reasonably establish minimum acceptable settings for any installed Power System Stabilizers, subject to the design and operating limitations of the Generating Facility. If the Generating Facility's Power System Stabilizers are removed from service or not capable of automatic operation, Interconnection Customer shall immediately notify Distribution Provider and Distribution Provider's system operator, or its designated representative. The requirements of this paragraph shall not apply to wind generators of the induction type.

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

- 5.5.1** Distribution Provider has completed the Interconnection Studies pursuant to the Generator Interconnection Study Process Agreement for Transmission Cluster Study Process Applicants, or Distribution Provider has completed the Interconnection Studies pursuant to the Detailed Study Agreement for Independent Study Process or Distribution Group Study Applicants.
- 5.5.2** Distribution Provider has received written authorization to proceed with design and procurement from Interconnection Customer by the date specified in Appendix B, Milestones; and
- 5.5.3** Interconnection Customer has provided security to Distribution Provider in accordance with Article 11.5 by the dates specified in Appendix B, Milestones.
- 5.6 Construction Commencement.** Distribution Provider shall commence construction of Distribution Provider's Interconnection Facilities, Distribution Upgrades, and Network Upgrades for which it is responsible as soon as practicable after the following additional conditions are satisfied:
- 5.6.1** Approval of the appropriate Governmental Authority has been obtained for any facilities requiring regulatory approval;
- 5.6.2** Necessary real property rights and rights-of-way have been obtained, to the extent required for the construction of a discrete aspect of Distribution Provider's Interconnection Facilities, Distribution Upgrades, and Network Upgrades;
- 5.6.3** Distribution Provider has received written authorization to proceed with construction from Interconnection Customer by the date specified in Appendix B, Milestones; and
- 5.6.4** Interconnection Customer has provided security to Distribution Provider in accordance with Article 11.5 by the dates specified in Appendix B, Milestones.
- 5.7 Work Progress.** The Parties will keep each other advised periodically as to the progress of their respective design, procurement and construction efforts. Either Party may, at any time, request a progress report from the other Party. If, at any time, Interconnection Customer determines that the completion of Distribution Provider's Interconnection Facilities will not be required until after the specified In-Service Date, Interconnection Customer will provide written notice to Distribution Provider of such later date upon which the completion of Distribution Provider's Interconnection Facilities will be required.
- 5.8 Information Exchange.** As soon as reasonably practicable after the Effective Date, the Parties shall exchange information regarding the design and compatibility of the Parties' Interconnection Facilities and compatibility of the Interconnection Facilities with Distribution Provider's Distribution System, and shall work diligently and in good faith to make any necessary design changes.

- 5.9 Limited Operation.** If any of Distribution Provider's Interconnection Facilities, Distribution Upgrades, or Network Upgrades are not reasonably expected to be completed prior to the Commercial Operation Date of the Generating Facility, Distribution Provider shall, upon the request and at the expense of Interconnection Customer, perform operating studies on a timely basis to determine the extent to which the Generating Facility and Interconnection Customer's Interconnection Facilities may operate prior to the completion of Distribution Provider's Interconnection Facilities, Distribution Upgrades, or Network Upgrades consistent with Applicable Laws and Regulations, Applicable Reliability Standards, Good Utility Practice, and this GIA. Distribution Provider shall permit Interconnection Customer to operate the Generating Facility and Interconnection Customer's Interconnection Facilities in accordance with the results of such studies.
- 5.10 Interconnection Customer's Interconnection Facilities ('ICIF').** Interconnection Customer shall, at its expense, design, procure, construct, own and install the ICIF, as set forth in Appendix A, Interconnection Facilities, Network Upgrades and Distribution Upgrades.
- 5.10.1 Interconnection Customer's Interconnection Facility Specifications.** Interconnection Customer shall submit initial specifications for the ICIF, including System Protection Facilities, to Distribution Provider at least one hundred eighty (180) Calendar Days prior to the Initial Synchronization Date; and final specifications for review and comment at least ninety (90) Calendar Days prior to the Initial Synchronization Date. Distribution Provider shall review such specifications to ensure that the ICIF are compatible with the technical specifications, operational control, and safety requirements of Distribution Provider and comment on such specifications within thirty (30) Calendar Days of Interconnection Customer's submission. All specifications provided hereunder shall be deemed confidential.
- 5.10.2 Distribution Provider's Review.** Distribution Provider's review of Interconnection Customer's final specifications shall not be construed as confirming, endorsing, or providing a warranty as to the design, fitness, safety, durability or reliability of the Generating Facility, or the ICIF. Interconnection Customer shall make such changes to the ICIF as may reasonably be required by Distribution Provider, in accordance with Good Utility Practice, to ensure that the ICIF are compatible with the technical specifications, operational control, and safety requirements of Distribution Provider.
- 5.10.3 ICIF Construction.** The ICIF shall be designed and constructed in accordance with Good Utility Practice. Within one hundred twenty (120) Calendar Days after the Commercial Operation Date, unless the Parties agree on another mutually acceptable deadline, Interconnection Customer shall deliver to Distribution Provider "as-built" drawings, information and documents for the ICIF, such as: a one-line diagram, a site plan showing the Generating Facility and the ICIF, plan and elevation drawings showing the layout of the ICIF, a relay functional

diagram, relaying AC and DC schematic wiring diagrams and relay settings for all facilities associated with Interconnection Customer's step-up transformers, the facilities connecting the Generating Facility to the step-up transformers and the ICIF, and the impedances (determined by factory tests) for the associated step-up transformers and the Generating Facility. The Interconnection Customer shall provide Distribution Provider specifications for the excitation system, automatic voltage regulator, Generating Facility control and protection settings, transformer tap settings, and communications, if applicable.

5.10.4 Interconnection Customer to Meet Requirements of the Distribution Provider's Interconnection Handbook. The Interconnection Customer shall comply with the Distribution Provider's Interconnection Handbook. In the event of a conflict between the terms of this GIA and the terms of the Distribution Provider's Interconnection Handbook, the terms in this GIA shall govern.

5.11 Distribution Provider's Interconnection Facilities Construction. Distribution Provider's Interconnection Facilities shall be designed and constructed in accordance with Good Utility Practice. Upon request, within one hundred twenty (120) Calendar Days after the Commercial Operation Date, unless the Parties agree on another mutually acceptable deadline, Distribution Provider shall deliver to Interconnection Customer the following "as-built" drawings, information and documents for Distribution Provider's Interconnection Facilities: No as-built drawings will be provided.

Distribution Provider will obtain control for operating and maintenance purposes of Distribution Provider's Interconnection Facilities and Stand Alone Network Upgrades upon completion of such facilities. Pursuant to Article 5.2, the CAISO will obtain Operational Control of the Stand Alone Network Upgrades prior to the Commercial Operation Date.

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

5.13 Lands of Other Property Owners. If any part of Distribution Provider or Distribution Owner's Interconnection Facilities, Distribution Upgrades, and/or Network Upgrades is to

be installed on property owned by persons other than Interconnection Customer or Distribution Provider or Distribution Owner, Distribution Provider or Distribution Owner shall at Interconnection Customer's expense use efforts, similar in nature and extent to those that it typically undertakes on its own behalf or on behalf of its Affiliates, including use of its eminent domain authority, and to the extent consistent with state law, to procure from such persons any rights of use, licenses, rights of way and easements that are necessary to construct, operate, maintain, test, inspect, replace or remove Distribution Provider or Distribution Owner's Interconnection Facilities, Distribution Upgrades, and/or Network Upgrades upon such property.

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

5.15 Early Construction of Base Case Facilities. Interconnection Customer may request Distribution Provider to construct, and Distribution Provider shall construct, using Reasonable Efforts to accommodate Interconnection Customer's In-Service Date, all or any portion of any Distribution Upgrades required for Interconnection Customer to be interconnected to the Distribution System which are included in the Base Case of the Facilities Study for Interconnection Customer, and which also are required to be constructed for another Interconnection Customer, but where such construction is not scheduled to be completed in time to achieve Interconnection Customer's In-Service Date. Network Upgrades required for Interconnection Customer to be interconnected to the Distribution System shall be constructed in accordance with the CAISO Tariff. Interconnection Customer shall be responsible for all costs incurred pursuant to this Article 5.15.

5.16 [Intentionally Omitted.]

5.17 Taxes.

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

5.17.2 Representations and Covenants. In accordance with IRS Notice 2001-82 and IRS Notice 88-129, Interconnection Customer represents and covenants that (i) ownership of the electricity generated at the Generating Facility will pass to another party prior to the transmission of the electricity on the Distribution

System, (ii) for income tax purposes, the amount of any payments and the cost of any property transferred to Distribution Provider for Distribution Provider's Interconnection Facilities will be capitalized by Interconnection Customer as an intangible asset and recovered using the straight-line method over a useful life of twenty (20) years, and (iii) any portion of Distribution Provider's Interconnection Facilities that is a "dual-use intertie," within the meaning of IRS Notice 88-129, is reasonably expected to carry only a de minimis amount of electricity in the direction of the Generating Facility. For this purpose, "de minimis amount" means no more than 5 percent of the total power flows in both directions, calculated in accordance with the "5 percent test" set forth in IRS Notice 88-129. This is not intended to be an exclusive list of the relevant conditions that must be met to conform to IRS requirements for non-taxable treatment.

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

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

Distribution Provider shall not include a gross-up for the cost consequences of any current tax liability in the amounts it charges Interconnection Customer under this GIA unless (i) Distribution Provider has determined, in good faith, that the payments or property transfers made by Interconnection Customer to Distribution Provider should be reported as income subject to taxation or (ii) any Governmental Authority directs Distribution Provider to report payments or property as income subject to taxation; provided, however, that Distribution Provider may require Interconnection Customer to provide security for Interconnection Facilities, in a form reasonably acceptable to Distribution Provider (such as a parental guarantee or a letter of credit), in an amount equal to the cost consequences of any current tax liability under this Article 5.17. Interconnection Customer shall reimburse Distribution Provider for such costs on a fully grossed-up basis, in accordance with Article 5.17.4, within thirty (30) Calendar Days of receiving written notification from Distribution Provider of the amount due, including detail about how the amount was calculated.

The indemnification obligation shall terminate at the earlier of (1) the expiration of the ten year testing period and the applicable statute of limitation, as it may be

extended by Distribution Provider upon request of the IRS, to keep these years open for audit or adjustment, or (2) the occurrence of a subsequent taxable event and the payment of any related indemnification obligations as contemplated by this Article 5.17.

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

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

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

Distribution Provider shall keep Interconnection Customer fully informed of the status of such request for a private letter ruling and shall execute either a privacy act waiver or a limited power of attorney, in a form acceptable to the IRS, that authorizes Interconnection Customer to participate in all discussions with the IRS regarding such request for a private letter ruling. Distribution Provider shall allow Interconnection Customer to attend all meetings with IRS officials about the request and shall permit Interconnection Customer to prepare the initial drafts of any follow-up letters in connection with the request.

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

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

Interconnection Customer shall pay to Distribution Provider on a periodic basis, as invoiced by Distribution Provider, Distribution Provider's documented reasonable costs of prosecuting such appeal, protest, abatement or other contest. At any time during the contest, Distribution Provider may agree to a settlement either with Interconnection Customer's consent or after obtaining written advice from nationally-recognized tax counsel, selected by Distribution Provider, but reasonably acceptable to Interconnection Customer, that the proposed settlement represents a reasonable settlement given the hazards of litigation. Interconnection Customer's obligation shall be based on the amount of the settlement agreed to by

Interconnection Customer, or if a higher amount, so much of the settlement that is supported by the written advice from nationally-recognized tax counsel selected under the terms of the preceding sentence. The settlement amount shall be calculated on a fully-grossed-up basis to cover any related cost consequences of the current tax liability. Any settlement without Interconnection Customer's consent or such written advice will relieve Interconnection Customer from any obligation to indemnify Distribution Provider for the tax at issue in the contest.

5.17.8 Refund. In the event that (a) a private letter ruling is issued to Distribution Provider which holds that any amount paid or the value of any property transferred by Interconnection Customer to Distribution Provider under the terms of this GIA is not subject to federal income taxation, (b) any legislative change or administrative announcement, notice, ruling or other determination makes it reasonably clear to Distribution Provider in good faith that any amount paid or the value of any property transferred by Interconnection Customer to Distribution Provider under the terms of this GIA is not taxable to Distribution Provider, (c) any abatement, appeal, protest, or other contest results in a determination that any payments or transfers made by Interconnection Customer to Distribution Provider are not subject to federal income tax, or (d) if Distribution Provider receives a refund from any taxing authority for any overpayment of tax attributable to any payment or property transfer made by Interconnection Customer to Distribution Provider pursuant to this GIA, Distribution Provider shall promptly refund to Interconnection Customer the following:

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

(ii) interest on any amounts paid by Interconnection Customer to Distribution Provider for such taxes which Distribution Provider did not submit to the taxing authority, calculated using an interest rate equal to one-twelfth of the Federal Reserve three-month Commercial paper Rate – Non-Financial, from the Federal Reserve Statistical Release H.15 (expressed as an annual rate) from the date payment was made by Interconnection Customer to the date Distribution Provider refunds such payment to Interconnection Customer, and

(iii) with respect to any such taxes paid by Distribution Provider, any refund or credit Distribution Provider receives or to which it may be entitled from any Governmental Authority, interest (or that portion thereof attributable to the payment described in clause (i), above) owed to Distribution Provider for such overpayment of taxes (including any reduction in interest otherwise payable by Distribution Provider to any Governmental Authority resulting from an offset or credit); provided, however, that Distribution Provider will remit such amount promptly to Interconnection Customer only after and to the extent that Distribution Provider has received a tax refund, credit or offset from any Governmental

Authority for any applicable overpayment of income tax related to Distribution Provider's Interconnection Facilities.

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

5.17.9 Taxes Other Than Income Taxes. Upon the timely request by Interconnection Customer, and at Interconnection Customer's sole expense, Distribution Provider may appeal, protest, seek abatement of, or otherwise contest any tax (other than federal or state income tax) asserted or assessed against Distribution Provider for which Interconnection Customer may be required to reimburse Distribution Provider under the terms of this GIA. Interconnection Customer shall pay to Distribution Provider on a periodic basis, as invoiced by Distribution Provider, Distribution Provider's documented reasonable costs of prosecuting such appeal, protest, abatement, or other contest. Interconnection Customer and Distribution Provider shall cooperate in good faith with respect to any such contest. Unless the payment of such taxes is a prerequisite to an appeal or abatement or cannot be deferred, no amount shall be payable by Interconnection Customer to Distribution Provider for such taxes until they are assessed by a final, non-appealable order by any court or agency of competent jurisdiction. In the event that a tax payment is withheld and ultimately due and payable after appeal, Interconnection Customer will be responsible for all taxes, interest and penalties, other than penalties attributable to any delay caused by Distribution Provider.

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

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

5.19 Modification.

5.19.1 General. Either Party may undertake modifications to its facilities. If a Party plans to undertake a modification that reasonably may be expected to affect the other Party's facilities, that Party shall provide to the other Party sufficient information regarding such modification so that the other Party may evaluate the potential impact of such modification prior to commencement of the work. Such information shall be deemed to be confidential hereunder and shall include

information concerning the timing of such modifications and whether such modifications are expected to interrupt the flow of electricity from the Generating Facility. The Party desiring to perform such work shall provide the relevant drawings, plans, and specifications to the other Party at least ninety (90) Calendar Days in advance of the commencement of the work or such shorter period upon which the Parties may agree, which agreement shall not unreasonably be withheld, conditioned or delayed.

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

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

5.19.3 Modification Costs. Interconnection Customer shall not be directly assigned for the costs of any additions, modifications, or replacements that Distribution Provider makes to Distribution Provider's Interconnection Facilities or the Distribution System to facilitate the interconnection of a third party to Distribution Provider's Interconnection Facilities or the Distribution System, or to provide transmission service to a third party under Distribution Provider's applicable tariffs. Interconnection Customer shall be responsible for the costs of any additions, modifications, or replacements to Interconnection Customer's Interconnection Facilities that may be necessary to maintain or upgrade such Interconnection Customer's Interconnection Facilities consistent with Applicable Laws and Regulations, Applicable Reliability Standards or Good Utility Practice.

Article 6. Testing and Inspection

6.1 Commissioning Testing and Pre-Commercial Operation Date Testing and Modifications. Prior to commencing Parallel Operation of a Generating Facility with Distribution Provider's system, Commissioning Testing shall be conducted pursuant to Rule 21. However, Interconnection Customer shall not commence Parallel Operation of its Generating Facility unless it has received Distribution Provider's express written permission to do so. Prior to the Commercial Operation Date, Distribution Provider shall test Distribution Provider's Interconnection Facilities, Distribution Upgrades, and Network Upgrades and Interconnection Customer shall test the Generating Facility and Interconnection Customer's Interconnection Facilities to ensure their safe and reliable operation. Similar testing may be required after initial operation. Each Party shall make any modifications to its facilities that are found to be necessary as a result of such testing. Interconnection Customer shall bear the cost of all such testing and modifications.

Interconnection Customer shall generate test energy at the Generating Facility only if it has arranged for the delivery of such test energy.

- 6.2 Post-Commercial Operation Date Testing and Modifications.** Each Party shall at its own expense perform routine inspection and testing of its facilities and equipment in accordance with Good Utility Practice as may be necessary to ensure the continued interconnection of the Generating Facility with the Distribution System in a safe and reliable manner. Each Party shall have the right, upon advance written notice, to require reasonable additional testing of the other Party's facilities, at the requesting Party's expense, as may be in accordance with Good Utility Practice.
- 6.3 Right to Observe Testing.** Each Party shall notify the other Party in advance of its performance of tests of its Interconnection Facilities. The other Party has the right to observe such testing. Costs associated with this Article are subject to the relevant provisions of Rule 21.
- 6.4 Right to Inspect.** Each Party shall have the right, but shall have no obligation to: (i) observe the other Party's tests and/or inspection of any of its System Protection Facilities and other protective equipment, including Power System Stabilizers; (ii) review the settings of the other Party's System Protection Facilities and other protective equipment; and (iii) review the other Party's maintenance records relative to the Interconnection Facilities, the System Protection Facilities and other protective equipment. A Party may exercise these rights from time to time as it deems necessary upon reasonable notice to the other Party. The exercise or non-exercise by a Party of any such rights shall not be construed as an endorsement or confirmation of any element or condition of the Interconnection Facilities or the System Protection Facilities or other protective equipment or the operation thereof, or as a warranty as to the fitness, safety, desirability, or reliability of same. Any information that a Party obtains through the exercise of any of its rights under this Article 6.4 shall be deemed to be Confidential Information and treated pursuant to Article 22 of this GIA.

Article 7. Metering

- 7.1 General.** Each Party shall comply with any Applicable Reliability Standards and the Applicable Reliability Council requirements. The Interconnection Customer shall comply with the provisions of Rule 21 regarding metering. Unless otherwise agreed by the Parties, Distribution Provider may install additional Metering Equipment at the Point of Interconnection prior to any operation of the Generating Facility and shall own, operate, test and maintain such Metering Equipment. Power flows to and from the Generating Facility shall be measured at or, at Distribution Provider's option, compensated to, the Point of Interconnection. Interconnection Customer's access to meter data shall be provided in accordance with Rule 21. Interconnection Customer shall bear all reasonable documented costs associated with the purchase, installation, operation, testing and maintenance of the Metering Equipment.
- 7.2 Check Meters.** Interconnection Customer, at its option and expense, may install and operate, on its premises and on its side of the Point of Interconnection, one or more check

meters to check the CAISO-pollled meters or Distribution Provider's meters. Such check meters shall be for check purposes only and shall not be used for the measurement of power flows for purposes of this GIA, except in the case that no other means are available on a temporary basis at the option of the Distribution Provider. The check meters shall be subject at all reasonable times to inspection and examination by Distribution Provider or its designee. The installation, operation and maintenance thereof shall be performed entirely by Interconnection Customer in accordance with Good Utility Practice.

- 7.3 Distribution Provider Retail Metering.** Distribution Provider may install retail revenue quality meters and associated equipment, pursuant to the Distribution Provider's applicable retail tariffs.

Article 8. Communications

- 8.1 Interconnection Customer Obligations.** Interconnection Customer shall maintain satisfactory operating communications with Distribution Provider's Distribution System dispatcher or representative designated by Distribution Provider. Interconnection Customer shall provide standard voice line, dedicated voice line and facsimile communications at its Generating Facility control room or central dispatch facility through use of either the public telephone system, or a voice communications system that does not rely on the public telephone system. Interconnection Customer shall also provide the dedicated data circuit(s) necessary to provide Interconnection Customer data to Distribution Provider as set forth in Appendix D, Security Arrangements Details. The data circuit(s) shall extend from the Generating Facility to the location(s) specified by Distribution Provider. Any required maintenance of such communications equipment shall be performed by Interconnection Customer. Operational communications shall be activated and maintained under, but not be limited to, the following events: system paralleling or separation, scheduled and unscheduled shutdowns, equipment clearances, and hourly and daily load data.

- 8.2 Telemetry.** The Parties shall comply with the provisions of the Rule 21 regarding telemetry.

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

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

Article 9. Operations

- 9.1 **General.** Each Party shall comply with Applicable Reliability Standards and the Applicable Reliability Council requirements. Each Party shall provide to the other Party all information that may reasonably be required by the other Party to comply with Applicable Laws and Regulations and Applicable Reliability Standards.
- 9.2 **[Intentionally Omitted.]**
- 9.3 **Distribution Provider Obligations.** Distribution Provider shall cause the Distribution System and Distribution Provider's Interconnection Facilities to be operated, maintained and controlled in a safe and reliable manner and in accordance with this GIA. Distribution Provider may provide operating instructions to Interconnection Customer consistent with this GIA and Distribution Provider's operating protocols and procedures as they may change from time to time. Distribution Provider will consider changes to its operating protocols and procedures proposed by Interconnection Customer.
- 9.4 **Interconnection Customer Obligations.** Interconnection Customer shall at its own expense operate, maintain and control the Generating Facility and Interconnection Customer's Interconnection Facilities in a safe and reliable manner and in accordance with this GIA. Interconnection Customer shall operate the Generating Facility and Interconnection Customer's Interconnection Facilities in accordance with all applicable requirements of the Control Area of which it is part, as such requirements are set forth in Appendix C, Interconnection Details, of this GIA. Appendix C, Interconnection Details, will be modified to reflect changes to the requirements as they may change from time to time. Either Party may request that the other Party provide copies of the requirements set forth in Appendix C, Interconnection Details, of this GIA.
- 9.5 **Start-Up and Synchronization.** Consistent with the Parties' mutually acceptable procedures, Interconnection Customer is responsible for the proper synchronization of the Generating Facility to Distribution Provider's Distribution System.
- 9.6 **Reactive Power.**
- 9.6.1 **Power Factor Design Criteria.** The Interconnection Customer shall design its Generating Facility to maintain a composite power delivery at continuous rated power output at the Point of Interconnection and the Generating Facility shall be capable of operating within a power factor range of 0.9 leading to 0.9 lagging, unless the Distribution Provider has established different requirements that apply to all similarly situated generators in the balancing authority area on a comparable basis. Operation outside this range is acceptable provided the reactive power of the Generating Facility is used to meet the reactive power needs of the Host Loads or that reactive power is otherwise provided under tariff by Distribution Provider. The Interconnection Customer shall notify Distribution Provider if it is using the Generating Facility for power factor correction. Unless otherwise agreed upon by the Interconnection Customer and Distribution Provider, Generating Facilities shall automatically regulate power factor, not voltage, while operating in parallel with Distribution Provider's Distribution System.

9.6.2 Governors and Regulators. Whenever the Generating Facility is operated in parallel with the Distribution System and the speed governors (if installed on the generating unit pursuant to Good Utility Practice) and voltage regulators are capable of operation, Interconnection Customer shall operate the Generating Facility with its speed governors and voltage regulators in a manner consistent with Rule 21.

9.7 Outages and Interruptions.

9.7.1 Outages.

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

9.7.1.2 Outage Schedules. Interconnection Customer shall submit its planned maintenance schedules for the Generating Facility to Distribution Provider for a minimum of a rolling twenty-four month period. Interconnection Customer shall update its planned maintenance schedules as necessary. Distribution Provider may request Interconnection Customer to reschedule its maintenance as necessary to maintain the reliability of the Distribution System and Transmission System. Distribution Provider shall compensate Interconnection Customer for any additional direct costs that Interconnection Customer incurs as a result of having to reschedule maintenance, including any additional overtime, breaking of maintenance contracts or other costs above and beyond the cost Interconnection Customer would have incurred absent Distribution Provider's request to reschedule maintenance. Interconnection Customer will not be eligible to receive compensation, if during the twelve (12) months prior to the date of the scheduled maintenance, Interconnection Customer had modified its schedule of maintenance activities. Distribution Provider shall have no obligation to pay Interconnection Customer any costs the Interconnection Customer incurs as the result of being directed by the CAISO to reschedule maintenance.

9.7.1.3 Outage Restoration. If an outage on a Party's Interconnection Facilities, Distribution Upgrades, or Network Upgrades adversely affects the other Party's operations or facilities, the Party that owns or controls the facility that is out of service shall use Reasonable Efforts to promptly restore such

facility(ies) to a normal operating condition consistent with the nature of the outage. The Party that owns or controls the facility that is out of service shall provide the other Party, to the extent such information is known, information on the nature of the Emergency, an estimated time of restoration, and any corrective actions required. Initial verbal notice shall be followed up as soon as practicable with written notice explaining the nature of the outage.

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

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

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

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

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

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

9.7.3 [Intentionally Omitted.]

9.7.4 System Protection and Other Control Requirements.

9.7.4.1 System Protection Facilities. Interconnection Customer shall, at its expense, install, operate and maintain System Protection Facilities as a part of the Generating Facility or Interconnection Customer's Interconnection Facilities. Distribution Provider shall install at Interconnection Customer's expense any System Protection Facilities that may be required on Distribution Provider's Interconnection Facilities, Distribution System, or the Transmission System as a result of the interconnection of the Generating Facility and Interconnection Customer's Interconnection Facilities.

9.7.4.2 Each Party's protection facilities shall be designed and coordinated with other systems in accordance with Applicable Reliability Standards, Applicable Reliability Council criteria, and Good Utility Practice.

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

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

9.7.4.5 Each Party will test, operate and maintain System Protection Facilities in accordance with Good Utility Practice and, if applicable, the requirements of the Distribution Provider's Interconnection Handbook.

9.7.4.6 Prior to the In-Service Date, and again prior to the Commercial Operation Date, each Party or its agent shall perform a complete calibration test and functional trip test of the System Protection Facilities. At intervals suggested by Good Utility Practice, the standards and procedures of the Distribution Provider, including, if applicable, the requirements of the Distribution Provider's Interconnection Handbook, and following any apparent malfunction of the System Protection Facilities, each Party shall perform both calibration and functional trip tests of its System Protection Facilities. These tests do not require the tripping of any in-service generation unit. These tests do, however, require that all protective relays and lockout contacts be activated.

9.7.5 Requirements for Protection. In compliance with Good Utility Practice and, if applicable, the requirements of the Distribution Provider's Interconnection Handbook, Interconnection Customer shall provide, install, own, and maintain relays, circuit breakers and all other devices necessary to remove any fault contribution of the Generating Facility to any short circuit occurring on the

Distribution System not otherwise isolated by Distribution Provider's equipment, such that the removal of the fault contribution shall be coordinated with the protective requirements of the Distribution System. Such protective equipment shall include, without limitation, a disconnecting device or switch with load-interrupting capability located between the Generating Facility and the Distribution System at a site selected upon mutual agreement (not to be unreasonably withheld, conditioned or delayed) of the Parties. Interconnection Customer shall be responsible for protection of the Generating Facility and Interconnection Customer's other equipment from such conditions as negative sequence currents, over- or under-frequency, sudden load rejection, over- or under-voltage, and generator loss-of-field. Interconnection Customer shall be solely responsible to disconnect the Generating Facility and Interconnection Customer's other equipment if conditions on the Distribution System could adversely affect the Generating Facility.

- 9.7.6 Power Quality.** Neither Party's facilities shall cause excessive voltage flicker nor introduce excessive distortion to the sinusoidal voltage or current waves as defined by ANSI Standard C84.1-1989, in accordance with IEEE Standard 519, or any applicable superseding electric industry standard or any alternative Applicable Reliability Standard or Applicable Reliability Council standard. In the event of a conflict among ANSI Standard C84.1-1989, or any applicable superseding electric industry standard, or any alternative Applicable Reliability Standard or Applicable Reliability Council standard, the alternative Applicable Reliability Standard or Applicable Reliability Council standard shall control.
- 9.8 Switching and Tagging Rules.** Each Party shall provide the other Party a copy of its switching and tagging rules that are applicable to the other Party's activities. Such switching and tagging rules shall be developed on a non-discriminatory basis. The Parties shall comply with applicable switching and tagging rules, as amended from time to time, in obtaining clearances for work or for switching operations on equipment.
- 9.9 Use of Interconnection Facilities by Third Parties.**
- 9.9.1 Purpose of Interconnection Facilities.** Except as may be required by Applicable Laws and Regulations, or as otherwise agreed to among the Parties, the Interconnection Facilities shall be constructed for the sole purpose of interconnecting the Generating Facility to the Distribution System and shall be used for no other purpose.
- 9.9.2 Third Party Users.** If required by Applicable Laws and Regulations or if the Parties mutually agree, such agreement not to be unreasonably withheld, to allow one or more third parties to use Distribution Provider's Interconnection Facilities, or any part thereof, Interconnection Customer will be entitled to compensation for the capital expenses it incurred in connection with the Interconnection Facilities based upon the pro rata use of the Interconnection Facilities by Distribution Provider, all third party users, and Interconnection Customer, in accordance with Applicable Laws and Regulations or upon some other mutually-agreed upon

methodology. In addition, cost responsibility for ongoing costs, including operation and maintenance costs associated with the Interconnection Facilities, will be allocated between Interconnection Customer and any third party users based upon the pro rata use of the Interconnection Facilities by Distribution Provider, all third party users, and Interconnection Customer, in accordance with Applicable Laws and Regulations or upon some other mutually agreed upon methodology. If the issue of such compensation or allocation cannot be resolved through such negotiations, it shall be submitted to CPUC for resolution if the third party user is seeking a CPUC-jurisdictional use and by FERC if the third party user is seeking a FERC-jurisdictional use. Interconnection Customer agrees to be bound by any such resolution by FERC.

- 9.10 Disturbance Analysis Data Exchange.** The Parties will cooperate with one another in the analysis of disturbances to either the Generating Facility or Distribution Provider's Distribution System and Transmission System by gathering and providing access to any information relating to any disturbance, including information from oscillography, protective relay targets, breaker operations and sequence of events records, and any disturbance information required by Good Utility Practice.

Article 10. Maintenance

- 10.1 Distribution Provider Obligations.** Distribution Provider shall maintain the Distribution System, Transmission System and Distribution Provider's Interconnection Facilities in a safe and reliable manner and in accordance with this GIA.
- 10.2 Interconnection Customer Obligations.** Interconnection Customer shall maintain the Generating Facility and Interconnection Customer's Interconnection Facilities in a safe and reliable manner and in accordance with this GIA.
- 10.3 Coordination.** The Parties shall confer regularly to coordinate the planning, scheduling and performance of preventive and corrective maintenance on the Generating Facility and the Interconnection Facilities.
- 10.4 Secondary Systems.** Each Party shall cooperate with the other in the inspection, maintenance, and testing of control or power circuits that operate below 600 volts, AC or DC, including, but not limited to, any hardware, control or protective devices, cables, conductors, electric raceways, secondary equipment panels, transducers, batteries, chargers, and voltage and current transformers that directly affect the operation of a Party's facilities and equipment which may reasonably be expected to impact the other Party. Each Party shall provide advance notice to the other Party before undertaking any work on such circuits, especially on electrical circuits involving circuit breaker trip and close contacts, current transformers, or potential transformers.
- 10.5 Operating and Maintenance Expenses.** Subject to the provisions herein addressing the use of facilities by others, and except for operations and maintenance expenses associated with modifications made for providing interconnection or transmission service to a third party and such third party pays for such expenses, Interconnection Customer shall be

responsible for all reasonable expenses including overheads, associated with: (1) owning, operating, maintaining, repairing, and replacing Interconnection Customer's Interconnection Facilities; and (2) operation, maintenance, repair and replacement of Distribution Provider's Interconnection Facilities.

Article 11. Performance Obligations

11.1 Interconnection Customer Interconnection Facilities. Interconnection Customer shall design, procure, construct, install, own and/or control Interconnection Customer Interconnection Facilities described in Appendix A, Interconnection Facilities, Network Upgrades and Distribution Upgrades, at its sole expense.

11.2 Distribution Provider's Interconnection Facilities. Distribution Provider or Distribution Owner shall design, procure, construct, install, own and/or control the Distribution Provider's Interconnection Facilities described in Appendix A, Interconnection Facilities, Network Upgrades and Distribution Upgrades, at the sole expense of the Interconnection Customer, subject to the provisions of the Cost Envelope Option, if applicable.

11.3 Network Upgrades and Distribution Upgrades. Distribution Provider or Distribution Owner shall design, procure, construct, install, and own the Distribution Upgrades described in Appendix A, Interconnection Facilities, Network Upgrades and Distribution Upgrades. Network Upgrades shall be designed, procured, and constructed in accordance with the CAISO Tariff. The Interconnection Customer shall be responsible for all costs related to Distribution Upgrades or Network Upgrades, subject to the provisions of the Cost Envelope Option, if applicable.

11.4 Transmission Credits.

11.4.1 Repayment of Amounts Advanced for Network Upgrades.

11.4.1.1 To the extent that the CAISO Tariff provides for cash repayment to interconnection customers for contribution to the cost of Network Upgrades, Interconnection Customer shall be entitled to a cash repayment, equal to the total amount paid to Distribution Provider and Affected System Operator, if any, for the Network Upgrades, including any tax gross-up or other tax-related payments associated with Network Upgrades, and not refunded to Interconnection Customer pursuant to Article 5.17.8 or otherwise, to be paid to Interconnection Customer on a dollar-for-dollar basis for the non-usage sensitive portion of transmission charges, as payments are made under Distribution Provider's Tariff and Affected System's Tariff for transmission services with respect to the Generating Facility. Any repayment shall include interest calculated in accordance with the methodology set forth in FERC's regulations at 18 C.F.R. §35.19a(a)(2)(iii) from the date of any payment for Network Upgrades through the date on which the Interconnection Customer receives a repayment of such payment pursuant to this subparagraph.

Interconnection Customer may assign such repayment rights to any person. To the extent that the CAISO Tariff does not provide for cash repayment to interconnection customers for contribution to the cost of Network Upgrades, Interconnection Customer is not entitled to a cash repayment for amounts paid to the Distribution Provider and Affected System operator for Network Upgrades, and no cash repayment shall be made pursuant to this Agreement.

11.4.1.2 If the Interconnection Customer is entitled to a cash repayment pursuant to Article 11.4.1.1, the Interconnection Customer, Distribution Provider, and Affected System Operator may adopt any alternative payment schedule that is mutually agreeable so long as Distribution Provider and Affected System Operator take one of the following actions no later than five years from the Commercial Operation Date: (1) return to Interconnection Customer any amounts advanced for Network Upgrades not previously repaid, or (2) declare in writing that Distribution Provider or Affected System Operator will continue to provide payments to Interconnection Customer on a dollar-for-dollar basis for the non-usage sensitive portion of transmission charges, or develop an alternative schedule that is mutually agreeable and provides for the return of all amounts advanced for Network Upgrades not previously repaid; however, full reimbursement shall not extend beyond twenty (20) years from the Commercial Operation Date.

11.4.1.3 If the Generating Facility fails to achieve Commercial Operation, but it or another generating facility is later constructed and makes use of the Network Upgrades, Distribution Provider and Affected System Operator shall at that time reimburse Interconnection Customer for the amounts advanced for the Network Upgrades if the Interconnection Customer is entitled to a cash repayment pursuant to Article 11.4.1.1. Before any such reimbursement can occur, the Interconnection Customer, or the entity that ultimately constructs the generating facility, if different, is responsible for identifying the entity to which reimbursement must be made.

11.4.2 Special Provisions for Affected Systems. Unless Distribution Provider provides, under the GIA, for the repayment of amounts advanced to Affected System Operator for Network Upgrades, Interconnection Customer and Affected System Operator shall enter into an agreement that provides for such repayment. The agreement shall specify the terms governing payments to be made by Interconnection Customer to the Affected System Operator as well as the repayment by the Affected System Operator.

11.4.3 Notwithstanding any other provision of this GIA, nothing herein shall be construed as relinquishing or foreclosing any rights, including but not limited to firm transmission rights, capacity rights, transmission congestion rights, or transmission credits, that Interconnection Customer, shall be entitled to, now or in the future under any other agreement or tariff as a result of, or otherwise

associated with, the transmission capacity, if any, created by the Network Upgrades, including the right to obtain cash reimbursements or transmission credits for transmission service that is not associated with the Generating Facility.

11.5 Provision of Interconnection Financial Security. The Interconnection Customer is obligated to provide all necessary Interconnection Financial Security required under Rule 21 Section F.4 if studied under the Independent Study Process or Distribution Group Study Process. The Interconnection Customer is obligated to provide all necessary Interconnection Financial Security required under Section 4.8 of the GIP if studied under the Transmission Cluster Study Process.

Article 12. Invoice

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

12.2 Final Invoice. Within twelve (12) months after completion of the construction of Distribution Provider's Interconnection Facilities, Distribution Upgrades, and the Network Upgrades, Distribution Provider shall provide an invoice of the final cost of the construction of Distribution Provider's Interconnection Facilities, Distribution Upgrades, and the Network Upgrades and shall set forth such costs in sufficient detail to enable Interconnection Customer to compare the actual costs with the estimates and to ascertain deviations, if any, from the cost estimates. Distribution Provider shall refund to Interconnection Customer any amount by which the actual payment by Interconnection Customer for estimated costs exceeds the actual costs of construction within thirty (30) Calendar Days of the issuance of such final construction invoice, subject to the provisions of the Cost Envelope Option, if applicable. If the Interconnection Customer's cost responsibility exceeds its previous aggregate payments, the Distribution Provider shall invoice the Interconnection Customer for the amount due and the Interconnection Customer shall make payment to the Distribution Provider within thirty (30) Calendar Days.

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

12.4 Disputes. In the event of a billing dispute between Distribution Provider and Interconnection Customer, Distribution Provider shall continue to provide Interconnection Service under this GIA as long as Interconnection Customer: (i)

continues to make all payments not in dispute; and (ii) pays to Distribution Provider or into an independent escrow account the portion of the invoice in dispute, pending resolution of such dispute. If Interconnection Customer fails to meet these two requirements for continuation of service, then Distribution Provider may provide notice to Interconnection Customer of a Default pursuant to Article 17. Within thirty (30) Calendar Days after the resolution of the dispute, the Party that owes money to the other Party shall pay the amount due with interest calculated using an interest rate equal to one-twelfth of the Federal Reserve three-month Commercial paper Rate – Non-Financial, from the Federal Reserve Statistical Release H.15 (expressed as an annual rate).

Article 13. Emergencies Consistent with Rule 21

13.1 Emergencies. Emergencies shall be handled in a manner consistent with Rule 21.

Article 14. Regulatory Requirements and Governing Law

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

14.2 Governing Law.

14.2.1 The validity, interpretation and performance of this GIA and each of its provisions shall be governed by the laws of the state of California, without regard to its conflicts of law principles.

14.2.2 This GIA is subject to all Applicable Laws and Regulations.

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

Article 15. Notices.

15.1 General. Unless otherwise provided in this GIA, any notice, demand or request required or permitted to be given by either Party to the other and any instrument required or permitted to be tendered or delivered by either Party in writing to the other shall be effective when delivered and may be so given, tendered or delivered, by recognized national courier, or by depositing the same with the United States Postal Service with postage prepaid, for delivery by certified or registered mail, addressed to the Party, or

personally delivered to the Party, at the address set out in Appendix F, Addresses for Delivery of Notices and Billings.

Either Party may change the notice information in this GIA by giving five (5) Business Days written notice prior to the effective date of the change.

- 15.2 Billings and Payments.** Billings and payments shall be sent to the addresses set out in Appendix F.
- 15.3 Alternative Forms of Notice.** Any notice or request required or permitted to be given by a Party to the other and not required by this Agreement to be given in writing may be so given by telephone, facsimile or email to the telephone numbers and email addresses set out in Appendix F.
- 15.4 Operations and Maintenance Notice.** Each Party shall notify the other Party in writing of the identity of the person(s) that it designates as the point(s) of contact with respect to the implementation of Articles 9 and 10.

Article 16. Uncontrollable Force

16.1 Uncontrollable Force.

16.1.1 Economic hardship is not considered an Uncontrollable Force event.

16.1.2 Neither Party shall be considered to be in Default with respect to any obligation hereunder, (including obligations under Article 4), other than the obligation to pay money when due, if prevented from fulfilling such obligation by Uncontrollable Force. A Party unable to fulfill any obligation hereunder (other than an obligation to pay money when due) by reason of an Uncontrollable Force shall give notice and the full particulars of such Uncontrollable Force to the other Party in writing or by telephone as soon as reasonably possible after the occurrence of the cause relied upon. Telephone notices given pursuant to this article shall be confirmed in writing as soon as reasonably possible and shall specifically state full particulars of the Uncontrollable Force, the time and date when the Uncontrollable Force occurred and when the Uncontrollable Force is reasonably expected to cease. The Party affected shall exercise due diligence to remove such disability with reasonable dispatch, but shall not be required to accede or agree to any provision not satisfactory to it in order to settle and terminate a strike or other labor disturbance.

Article 17. Default

17.1 Default

17.1.1 General. No Default shall exist where such failure to discharge an obligation (other than the payment of money) is the result of an Uncontrollable Force as defined in this GIA or the result of an act of omission of the other Party. Upon a

Breach, the non-breaching Party shall give written notice of such Breach to the breaching Party. Except as provided in Article 17.1.2, the breaching Party shall have thirty (30) Calendar Days from receipt of the Default notice within which to cure such Breach; provided however, if such Breach is not capable of cure within thirty (30) Calendar Days, the breaching Party shall commence such cure within thirty (30) Calendar Days after notice and continuously and diligently complete such cure within ninety (90) Calendar Days from receipt of the Default notice; and, if cured within such time, the Breach specified in such notice shall cease to exist.

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

Article 18. Indemnity, Consequential Damages and Insurance

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

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

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

18.1.3 Indemnity Procedures. Promptly after receipt by an Indemnified Person of any claim or notice of the commencement of any action or administrative or legal proceeding or investigation as to which the indemnity provided for in Article 18.1 may apply, the Indemnified Person shall notify the Indemnifying Party of such fact. Any failure of or delay in such notification shall not affect a Party's

indemnification obligation unless such failure or delay is materially prejudicial to the Indemnifying Party.

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

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

18.2 Consequential Damages. In no event shall either Party be liable under any provision of this GIA for any losses, damages, costs or expenses for any special, indirect, incidental, consequential, or punitive damages, including but not limited to loss of profit or revenue, loss of the use of equipment, cost of capital, cost of temporary equipment or services, whether based in whole or in part in contract, in tort, including negligence, strict liability, or any other theory of liability; provided, however, that damages for which a Party may be liable to the other Party under another agreement will not be considered to be special, indirect, incidental, or consequential damages hereunder.

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

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

- 18.3.2** Commercial General Liability Insurance including premises and operations, personal injury, broad form property damage, broad form blanket contractual liability coverage (including coverage for the contractual indemnification) products and completed operations coverage, coverage for explosion, collapse and underground hazards, independent contractors coverage, coverage for pollution to the extent normally available and punitive damages to the extent normally available and a cross liability endorsement, with minimum limits of One Million Dollars (\$1,000,000) per occurrence/One Million Dollars (\$1,000,000) aggregate combined single limit for personal injury, bodily injury, including death and property damage.
- 18.3.3** Comprehensive Automobile Liability Insurance for coverage of owned and non-owned and hired vehicles, trailers or semi-trailers designed for travel on public roads, with a minimum, combined single limit of One Million Dollars (\$1,000,000) per occurrence for bodily injury, including death, and property damage.
- 18.3.4** Excess Public Liability Insurance over and above the Employers' Liability Commercial General Liability and Comprehensive Automobile Liability Insurance coverage, with a minimum combined single limit of one million dollars (\$1,000,000) per MW, of Generating Facility capacity, rounded up to the nearest MW, per occurrence, up to a maximum of twenty million dollars (\$20,000,000) per occurrence/twenty million dollars (\$20,000,000) aggregate.
- 18.3.5** The Commercial General Liability Insurance, Comprehensive Automobile Insurance and Excess Public Liability Insurance policies shall name the other Party, its parent, associated and Affiliate companies and their respective directors, officers, agents, servants and employees ("Other Party Group") as additional insured. All policies shall contain provisions whereby the insurers waive all rights of subrogation in accordance with the provisions of this GIA against the Other Party Group and provide thirty (30) Calendar Days advance written notice to the Other Party Group prior to anniversary date of cancellation or any material change in coverage or condition.
- 18.3.6** The Commercial General Liability Insurance, Comprehensive Automobile Liability Insurance and Excess Public Liability Insurance policies shall contain provisions that specify that the policies are primary and shall apply to such extent without consideration for other policies separately carried and shall state that each insured is provided coverage as though a separate policy had been issued to each, except the insurer's liability shall not be increased beyond the amount for which the insurer would have been liable had only one insured been covered. Each Party shall be responsible for its respective deductibles or retentions.
- 18.3.7** The Commercial General Liability Insurance, Comprehensive Automobile Liability Insurance and Excess Public Liability Insurance policies, if written on a Claims First Made Basis, shall be maintained in full force and effect for two (2)

years after termination of this GIA, which coverage may be in the form of tail coverage or extended reporting period coverage if agreed by the Parties.

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

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

18.3.10 Notwithstanding the foregoing, each Party may self-insure to meet the minimum insurance requirements of Articles 18.3.2 through 18.3.8 to the extent it maintains a self-insurance program; provided that, such Party's senior secured debt is rated at investment grade or better by Standard & Poor's and that its self-insurance program meets the minimum insurance requirements of Articles 18.3.2 through 18.3.8. For any period of time that a Party's senior secured debt is unrated by Standard & Poor's or is rated at less than investment grade by Standard & Poor's, such Party shall comply with the insurance requirements applicable to it under Articles 18.3.2 through 18.3.9. In the event that a Party is permitted to self-insure pursuant to this article, it shall notify the other Party that it meets the requirements to self-insure and that its self-insurance program meets the minimum insurance requirements in a manner consistent with that specified in Article 18.3.9.

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

Article 19. Assignment

19.1 Assignment. This GIA may be assigned by either Party only with the written consent of the other; provided that either Party may assign this GIA without the consent of the other Party to any Affiliate of the assigning Party with an equal or greater credit rating and with the legal authority and operational ability to satisfy the obligations of the assigning Party under this GIA; and provided further that Interconnection Customer shall have the right to assign this GIA, without the consent of Distribution Provider, for collateral security purposes to aid in providing financing for the Generating Facility, provided that Interconnection Customer will promptly notify Distribution Provider of any such assignment. Any financing arrangement entered into by Interconnection Customer pursuant to this article will provide that prior to or upon the exercise of the secured party's, trustee's or mortgagee's assignment rights pursuant to said arrangement, the secured creditor, the trustee or mortgagee will notify Distribution Provider of the date and particulars of any such exercise of assignment right(s), including providing the Distribution Provider with proof that it meets the requirements of Articles 11.5 and 18.3. Any attempted assignment that violates this article is void and ineffective. Any

assignment under this GIA shall not relieve a Party of its obligations, nor shall a Party's obligations be enlarged, in whole or in part, by reason thereof. Where required, consent to assignment will not be unreasonably withheld, conditioned or delayed.

Article 20. Severability

20.1 Severability. If any provision in this GIA is finally determined to be invalid, void or unenforceable by any court or other Governmental Authority having jurisdiction, such determination shall not invalidate, void or make unenforceable any other provision, agreement or covenant of this GIA; provided that if Interconnection Customer (or any third party, but only if such third party is not acting at the direction of Distribution Provider) seeks and obtains such a final determination with respect to any provision of the Option to Build (Article 5.1.3), then none of these provisions shall thereafter have any force or effect and the Parties' rights and obligations shall be governed solely by the Standard Option (Article 5.1.1).

Article 21. Comparability

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

Article 22. Confidentiality

22.1 Definition of Confidential Information. The confidentiality provisions applicable to this Agreement are set forth in Rule 21, Section D.7 (Confidentiality) and in the following provisions included in this Article.

22.1.1 Release of Confidential Information. Neither Party shall release or disclose Confidential Information to any other person, employees, consultants, or to parties who may be or considering providing financing to or equity participation with Interconnection Customer, or to potential purchasers or assignees of Interconnection Customer, on a need-to-know basis in connection with these procedures, unless such person has first been advised of the confidentiality provisions of this Article and has agreed to comply with such provisions. Notwithstanding the foregoing, a Party providing Confidential Information to any person shall remain primarily responsible for any release of Confidential Information in contravention of this Article.

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

22.1.3 No Warranties. By providing Confidential Information, neither Party makes any warranties or representations as to its accuracy or completeness. In addition, by supplying Confidential Information, neither Party obligates itself to provide any

particular information or Confidential Information to the other Party nor to enter into any further agreements or proceed with any other relationship or joint venture.

22.1.4 Standard of Care. Each Party shall use at least the same standard of care to protect Confidential Information it receives as it uses to protect its own Confidential Information from unauthorized disclosure, publication or dissemination; however, in no case shall a Party use less than reasonable care in protecting Confidential Information. Each Party may use Confidential Information solely to fulfill its obligations to the other Party under this Agreement or its regulatory requirements.

22.1.5 Order of Disclosure. If a court or a Government Authority or entity with the right, power, and apparent authority to do so requests or requires either Party, by subpoena, oral deposition, interrogatories, requests for production of documents, administrative order, or otherwise, to disclose Confidential Information, that Party shall provide the other Party with prompt notice of such request(s) or requirement(s) so that the other Party may seek an appropriate protective order or waive compliance. Notwithstanding the absence of a protective order or waiver, the Party may disclose such Confidential Information which, in the opinion of its counsel, the Party is legally compelled to disclose. Each Party will use Reasonable Efforts to obtain reliable assurance that confidential treatment will be accorded any Confidential Information so furnished.

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

Article 23. Environmental Releases

23.1 Each Party shall notify the other Party, first orally and then in writing, of the release of any Hazardous Substances, any asbestos or lead abatement activities, or any type of remediation activities related to the Generating Facility or the Interconnection Facilities, each of which may reasonably be expected to affect the other Party. The notifying Party shall: (i) provide the notice as soon as practicable, provided such Party makes a good faith effort to provide the notice no later than twenty-four hours after such Party becomes aware of the occurrence; and (ii) promptly furnish to the other Party copies of any

publicly available reports filed with any Governmental Authorities addressing such events.

Article 24. Information Requirements

- 24.1 Information Acquisition.** Distribution Provider and Interconnection Customer shall submit specific information regarding the electrical characteristics of their respective facilities to each other as described below and in accordance with Applicable Reliability Standards.
- 24.2 Information Submission by Distribution Provider.** The initial information submission by Distribution Provider shall occur no later than one hundred eighty (180) Calendar Days prior to Trial Operation and shall include Distribution System and Transmission System information necessary to allow Interconnection Customer to select equipment and meet any system protection and stability requirements, unless otherwise agreed to by the Parties. On a monthly basis Distribution Provider shall provide Interconnection Customer a status report on the construction and installation of Distribution Provider's Interconnection Facilities, Distribution Upgrades, and Network Upgrades, including, but not limited to, the following information: (1) progress to date; (2) a description of the activities since the last report; (3) a description of the action items for the next period; and (4) the delivery status of equipment ordered.
- 24.3 Updated Information Submission by Interconnection Customer.** The updated information submission by Interconnection Customer, including manufacturer information, shall occur no later than one hundred eighty (180) Calendar Days prior to the Trial Operation. If studied under the Transmission Cluster Study Process, Interconnection Customer shall submit a completed copy of the Generating Facility data requirements contained in Appendix 1 to the GIP. If studied under the Distribution Group Study Process or Independent Study Process, Interconnection Customer shall submit a completed copy of the Generating Facility data requirements contained in the Rule 21 Interconnection Request for Exporting Generating Facilities. It shall also include any additional information provided to Distribution Provider for the Interconnection Studies. Information in this submission shall be the most current Generating Facility design or expected performance data. Information submitted for stability models shall be compatible with Distribution Provider standard models. If there is no compatible model, Interconnection Customer will work with a consultant mutually agreed to by the Parties to develop and supply a standard model and associated information.

If Interconnection Customer's data is materially different from what was originally provided to Distribution Provider pursuant to the Detailed Study Agreement between Distribution Provider and Interconnection Customer, then Distribution Provider will conduct appropriate studies to determine the impact on Distribution Provider Distribution System and Transmission System based on the actual data submitted pursuant to this Article 24.3. The Interconnection Customer shall not begin Trial Operation until such studies are completed.

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

Unless otherwise agreed, the test conditions shall include: (1) Generating Facility at synchronous speed; (2) automatic voltage regulator on and in voltage control mode; and (3) a five percent change in Generating Facility terminal voltage initiated by a change in the voltage regulators reference voltage. Interconnection Customer shall provide validated test recordings showing the responses of Generating Facility terminal and field voltages. In the event that direct recordings of these voltages is impractical, recordings of other voltages or currents that mirror the response of the Generating Facility’s terminal or field voltage are acceptable if information necessary to translate these alternate quantities to actual Generating Facility terminal or field voltages is provided. Generating Facility testing shall be conducted and results provided to Distribution Provider for each individual generating unit in a station.

Subsequent to the Commercial Operation Date, Interconnection Customer shall provide Distribution Provider any information changes due to equipment replacement, repair, or adjustment. Distribution Provider shall provide Interconnection Customer any information changes due to equipment replacement, repair or adjustment in the directly connected substation or any adjacent Distribution Provider-owned substation that may affect Interconnection Customer’s Interconnection Facilities equipment ratings, protection or operating requirements. The Parties shall provide such information no later than thirty (30) Calendar Days after the date of the equipment replacement, repair or adjustment.

Article 25. Information Access and Audit Rights

25.1 Information Access. Each Party (the “disclosing Party”) shall make available to the other Party information that is in the possession of the disclosing Party and is necessary in order for the other Party to: (i) verify the costs incurred by the disclosing Party for which the other Party is responsible under this GIA; and (ii) carry out its obligations and responsibilities under this GIA. The Parties shall not use such information for purposes other than those set forth in this Article 25.1 and to enforce their rights under this GIA.

25.2 Reporting of Non-Uncontrollable Force Events. Each Party (the “notifying Party”) shall notify the other Party when the notifying Party becomes aware of its inability to comply with the provisions of this GIA for a reason other than an Uncontrollable Force event. The Parties agree to cooperate with each other and provide necessary information regarding such inability to comply, including the date, duration, reason for the inability to comply, and corrective actions taken or planned to be taken with respect to such inability to comply. Notwithstanding the foregoing, notification, cooperation or information

provided under this article shall not entitle the Party receiving such notification to allege a cause for anticipatory breach of this GIA.

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

25.4 Audit Rights Periods.

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

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

25.4.2 Audit Rights Period for All Other Accounts and Records. Accounts and records related to either Party's performance or satisfaction of all obligations under this GIA other than those described in Article 25.4.1 shall be subject to audit as follows: (i) for an audit relating to cost obligations, the applicable audit rights period shall be twenty-four months after the auditing Party's receipt of an invoice giving rise to such cost obligations; and (ii) for an audit relating to all other obligations, the applicable audit rights period shall be twenty-four months after the event for which the audit is sought.

25.5 Audit Results. If an audit by a Party determines that an overpayment or an 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.

Article 26. Subcontractors

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

- 26.2 Responsibility of Principal.** The creation of any subcontract relationship shall not relieve the hiring Party of any of its obligations under this GIA. The hiring Party shall be fully responsible to the other Party for the acts or omissions of any subcontractor the hiring Party hires as if no subcontract had been made; provided, however, that in no event shall Distribution Provider be liable for the actions or inactions of Interconnection Customer or its subcontractors with respect to obligations of Interconnection Customer under Article 5 of this GIA. Any applicable obligation imposed by this GIA upon the hiring Party shall be equally binding upon, and shall be construed as having application to, any subcontractor of such Party.
- 26.3 No Limitation by Insurance.** The obligations under this Article 26 will not be limited in any way by any limitation of subcontractor's insurance.

Article 27. Disputes

- 27.1 Disputes.** Any dispute arising between Distribution Provider and an Interconnection Customer studied under the Independent Study Process or Distribution Group Study Process regarding a Party's performance of its obligations under this Agreement or requirements related to the interconnection of the Generating Facility shall be resolved according to the procedures in Rule 21. Any dispute arising between Distribution Provider and an Interconnection Customer studied under the Transmission Cluster Study Process regarding a Party's performance of its obligations pursuant to the WDAT (e.g., any dispute regarding the Application Process, the Transmission Cluster Study Process, including the cost allocation of upgrades, the classification of upgrades as either Distribution Upgrades or Network Upgrades, posting of financial security and refunds) will be resolved pursuant to dispute resolution procedures in the WDAT. Any other dispute arising between Distribution Provider and an Interconnection Customer studied under the Transmission Cluster Study Process regarding a Party's performance of its obligations related to this Agreement or requirements related to the interconnection of the Generating Facility shall be resolved according to the procedures in Rule 21.

Article 28. Representations, Warranties, and Covenants

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

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

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

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

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

Article 29. [Reserved]

Article 30. Miscellaneous

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

30.2 Conflicts. In the event of a conflict between this GIA and Rule 21, the terms and provisions of Rule 21 shall prevail. For Interconnection Customers studied under the Transmission Cluster Study Process, in the event of a conflict between applicable provisions of the WDAT and Rule 21, the provisions of the WDAT shall prevail with respect to parts of the interconnection process performed under the WDAT; Rule 21 shall prevail with respect to all other matters.

30.3 Rules of Interpretation. This GIA, unless a clear contrary intention appears, shall be construed and interpreted as follows: (1) the singular number includes the plural number and vice versa; (2) reference to any person includes such person's successors and assigns but, in the case of a Party, only if such successors and assigns are permitted by this GIA, and reference to a person in a particular capacity excludes such person in any other capacity or individually; (3) reference to any agreement (including this GIA), document, instrument or tariff means such agreement, document, instrument, or tariff as amended or modified and in effect from time to time in accordance with the terms thereof and, if applicable, the terms hereof; (4) reference to any Applicable Laws and Regulations means such Applicable Laws and Regulations as amended, modified, codified, or reenacted, in whole or in part, and in effect from time to time, including, if applicable, rules and regulations promulgated thereunder; (5) unless expressly stated otherwise,

reference to any Article, Section or Appendix means such Article of this GIA or such Appendix to this GIA, as the case may be; (6) “hereunder”, “hereof”, “herein”, “hereto” and words of similar import shall be deemed references to this GIA as a whole and not to any particular Article or other provision hereof or thereof; (7) “including” (and with correlative meaning “include”) means including without limiting the generality of any description preceding such term; and (8) relative to the determination of any period of time, “from” means “from and including”, “to” means “to but excluding” and “through” means “through and including”.

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

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

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

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

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

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

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

30.10 Modification by the Parties. The Parties may by mutual agreement amend the Appendices to this GIA by a written instrument duly executed by the Parties. Such

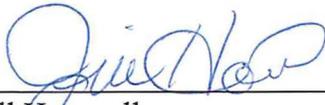
amendment shall become effective and a part of this GIA upon satisfaction of all Applicable Laws and Regulations.

30.11 Incorporation of Rule 21 into Agreement and CPUC Modification. Rule 21, subject to any modifications the CPUC may direct in the exercise of its jurisdiction, is incorporated in its entirety into this GIA. Unless otherwise ordered by the CPUC, this GIA at all times shall be subject to such modifications as the CPUC may direct from time to time in the exercise of its jurisdiction. Notwithstanding the foregoing, if provisions of this GIA or the Parties' obligations are dictated by the WDAT or the results of the Transmission Cluster Study process under the WDAT (e.g., provisions related to the classification of upgrades as either Distribution Upgrades or Network Upgrades and the allocation of costs of facilities), they are not subject to modification by the CPUC.

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

IN WITNESS WHEREOF, the Parties have executed this GIA in duplicate originals, each of which shall constitute and be an original effective Agreement between the Parties.

**SOUTHERN CALIFORNIA EDISON
COMPANY**

By: 
Name: Jill Horswell
Title: Director, Grid Contracts Origination and
Operations
Date: December 20, 2018

ATTEST:

Mona Miyasato
County Executive Officer
Clerk of the Board

By: _____
Deputy Clerk

COUNTY OF SANTA BARBARA:
STEVE LAVAGNINO, CHAIR,
BOARD OF SUPERVISORS

By: _____
Chair, Board of Supervisors

Date: _____

RECOMMENDED FOR APPROVAL:

Santa Barbara County Public Works
Department

By: _____
Scott D. McGolpin Department
Head, Public Works Director

**APPROVED AS TO FORM:
FORM:**

Michael C. Ghizzoni
County Counsel

By: _____
Deputy County Counsel

APPROVED AS TO ACCOUNTING

Betsy M. Shaffer, CPA
Auditor-Controller

By: _____
Deputy

**APPROVED AS TO FORM:
Risk Management**

By: _____
Risk Management

Appendix A to GIA

Interconnection Facilities, Network Upgrades and Distribution Upgrades

The Distribution Provider's Interconnection Facilities, Network Upgrades and Distribution Upgrades described in this Appendix A are based on the Distribution Provider's preliminary engineering and design. Such descriptions are subject to modification to reflect the actual facilities constructed and installed following the Distribution Provider's final engineering and design, identification of field conditions, and compliance with applicable environmental and permitting requirements.

1. Interconnection Facilities.

- (a) **Interconnection Customer's Interconnection Facilities.** The Interconnection Customer shall:
- (i) Install one (1) ABB 16kV main step-up transformer with a 5.75 percent impedance on a 3000 KVA base.
 - (ii) Install one (1) 16kV switchboard which complies with Distribution Provider's electrical service requirements as described in the Interconnection Handbook.
 - (iii) Procure and construct underground duct banks and related structures required for Distribution Provider's Interconnection Facilities and Distribution Upgrades ("Civil Construction") in accordance with specifications and designs provided by the Distribution Provider. The Distribution Provider may subsequently determine that the Civil Construction, or a portion thereof, may need to be owned by the Distribution Provider pursuant to Section 3(k) of Appendix C of this GIA.
 - (iv) Acquire, and provide to the Distribution Provider within thirty (30) Calendar Days following the Effective Date, an agreement from the property owner at 14470 Calle Real, Santa Barbara, CA 93117, APN 081-150-019, GPS Coordinates: 34.48178017574828, -120.1323987598633, for the Distribution Provider to have the following:
 1. the right to enter property owner's premises for any purpose connected with the Distribution Provider's Interconnection Facilities or interconnection service,
 2. the right for the use of a Distribution Provider approved locking device if Interconnection Customer wants to prevent unauthorized access to Distribution Provider's Interconnection Facilities,
 3. the right for safe and ready access for Distribution Provider's personnel free from unrestrained animals,
 4. the right for unobstructed ready access for Distribution Provider's vehicles and equipment to install, remove, repair, and maintain its Interconnection Facilities,
 5. the right to remove Distribution Provider's Interconnection Facilities after termination of interconnection service.
 - (v) Telemetry.
In accordance with specifications provided by the Distribution Provider, provide

the following in compliance with the telemetry requirements of the Interconnection Handbook:

1. Allow the Distribution Provider to review and approve the Interconnection Customer's telemetry equipment design and perform inspections to ensure compatibility with the Distribution Provider's telemetry equipment; allow the Distribution Provider to perform acceptance testing of the telemetry equipment and the right to require the correction of installation deficiencies.
 2. Provide broadband internet service to support communication of the telemetering data to the Distribution Provider's grid control center.
 3. Provide and install a Distribution Provider approved serial device server ("SDS") in an approved enclosure located in an area with a suitable environment.
 4. Provide a convenience power source to the SDS enclosure for SDS power.
 5. Provide and install data communication cabling for the required telemetering data from the Interconnection Customer's data acquisition system to the SDS enclosure.
 6. Allow the Distribution Provider to terminate the data communication cables inside the Interconnection Customer's SDS enclosure and program the SDS.
- (vi) Install all required metering equipment at the Generating Facility in accordance with Rule 21, the CAISO Tariff, and the Interconnection Handbook. Distribution Provider consents to the Interconnection Customer's use of the Distribution Provider's retail metering potential transformers ("PTs") and current transformers ("CTs") for their ISO metering requirements at the Generating Facility.
- (vii) Allow the Distribution Provider to install, in the switchboard provided by the Interconnection Customer, revenue meters, potential transformers ("PTs"), current transformers ("CTs"), and appurtenant equipment required to meter the retail load at the Generating Facility in accordance with Distribution Provider's electrical service requirements as described in the Interconnection Handbook.
- (viii) Install all equipment necessary to comply with the power factor requirements of Article 9.6.1 of the GIA, including the ability to automatically regulate the power factor to a schedule (VAR schedule) in accordance with the Interconnection Handbook.
- (ix) Install disconnect facilities in accordance with the Distribution Provider's Interconnection Handbook to comply with the Distribution Provider's switching and tagging procedures.
- (x) Acquire the necessary rights-of-way for the Interconnection Customer's Interconnection Facilities.
- (xi) Perform the necessary environmental studies and obtain permits for the Interconnection Customer's Interconnection Facilities

(b) **Distribution Provider's Interconnection Facilities.** The Distribution Provider shall:

- (i) Install approximately 20 feet of overhead 2/0 BC conductor to build a 16 kV riser, 16kV primary cable, approximately 300 feet of underground 350 JCN secondary cable and splices.
- (ii) Install one (1) 4 Way Pad Mounted Gas switch.

- (iii) Install one (1) Remote Controlled Switch for Generator (GCSG) P.T. and Controller for Automation Control.
- (iv) Install one (1) 16 Pad Mounted Ground Detector.
- (v) 16kV Metering and associated wiring.
- (vi) Telemetry.
 1. Terminate the Interconnection Customer provided communication cables inside the Interconnection Customer's SDS enclosure.
 2. Program and test the SDS.
 3. Perform setup and programming on the Distribution Provider's telemetry equipment as required to support communication of the telemetered data to the Distribution Provider's grid control center.
 4. Perform a functional test of the telemetry equipment to verify compliance with the requirements of the Interconnection Handbook.
- (vii) Metering.
Install revenue meters, PTs, CTs and appurtenant equipment required to meter the retail load at the Generating Facility. Notwithstanding that the meters, PTs, CTs and appurtenant equipment will be located on the Interconnection Customer's side of the Point of Change of Ownership, the Distribution Provider shall own, operate and maintain such facilities as part of the Distribution Provider's Interconnection Facilities.
- (viii) Real Properties.
Obtain easements and/or acquire land for the installation of the Distribution Provider's Interconnection Facilities, including any associated telecommunication equipment.
- (ix) Environmental Activities, Permits, and Licensing.
Perform all required environmental activities, and obtain licensing and permits for the installation of the Distribution Provider's Interconnection Facilities, including any associated telecommunications equipment.

2. Network Upgrades.

- (a) **Stand Alone Network Upgrades.** None.
- (b) **Other Network Upgrades.**
 - (i) **Reliability Network Upgrades.** None identified in the Interconnection System Impact Study/DGS Phase I Interconnection Study
 - (ii) **Delivery Network Upgrades.** None.

3. Distribution Upgrades. The Distribution Provider shall provide:

- (a) Electrical Facilities:
 - (i) Replace approximately 1,000 feet of overhead conductor with 2/0 BC conductor
- Substation Upgrades:
 - (ii) Install one (1) bi-directional watt transducer at Capitan Substation
- Telecommunication:

(iii) RTU point addition to SCADA

Real Properties.

Obtain easements and/or acquire land for the installation of the Distribution Upgrades, including any associated telecommunication equipment.

(b) Environmental Activities, Permits, and Licensing

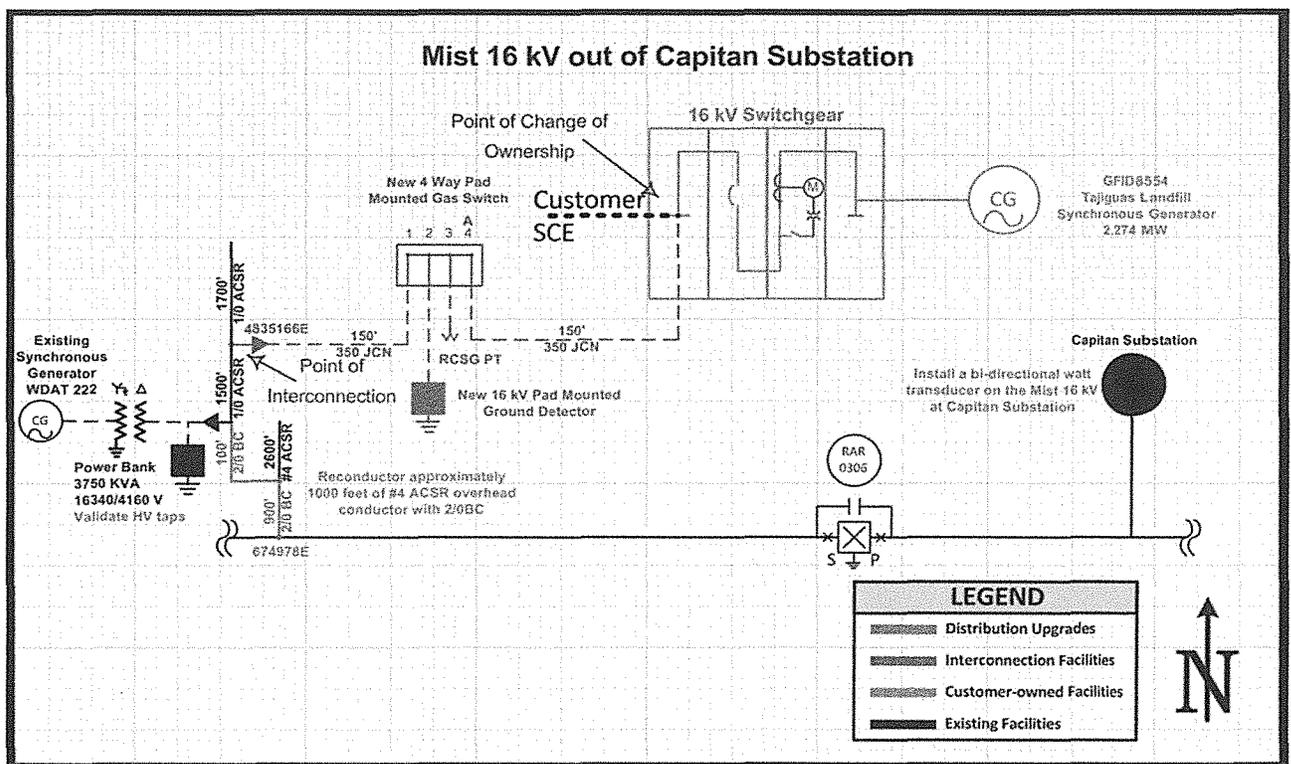
Perform all required environmental activities, and obtain required licensing and permits for the installation of Distribution Upgrades, including any associated telecommunication equipment.

4. Not Used.

5. **Point of Change of Ownership.** The Point of Change of Ownership shall be at the pull section of the new 480V switchboard panel provided, installed, and owned by the Interconnection Customer.

6. **Point of Interconnection.** A tap on the Distribution Provider's Mist 16kV distribution line out of Capitan 66/16kV Substation.

7. **One-Line Diagram of Interconnection.**



8. **Additional Definitions.** For the purposes of these Appendices, the following terms, when used with initial capitalization, whether in the singular or the plural, shall have the meanings specified below:

(a) Accounting Practice: Generally accepted accounting principles and practices applicable to electric utility operations.

- (b) Balancing Authority: The responsible entity that integrates resource plans ahead of time, maintains load-interchange-generation balance within a Balancing Authority Area, and supports interconnection frequency in real time.
- (c) Balancing Authority Area: The collection of generation, transmission, and loads within the metered boundaries of the Balancing Authority. The Balancing Authority maintains load-resource balance within this area.
- (d) CAISO Controlled Grid: the definition of “CAISO Controlled Grid” is intended to be identical to and used interchangeably with the definition of “CAISO Grid” in Article 1 of this GIA.
- (e) Capital Additions: Any modifications to the Distribution Provider’s Interconnection Facilities or to those Distribution Upgrades subject to on-going monthly charges. Such modifications may be any Units of Property which are added to the Distribution Provider’s Interconnection Facilities or to those Distribution Upgrades subject to on-going monthly charges; the enlargement, modification or betterment of any Units of Property constituting a part of the Distribution Provider’s Interconnection Facilities or those Distribution Upgrades subject to on-going monthly charges; or the replacement of any Units of Property constituting a part of the Distribution Provider’s Interconnection Facilities or those Distribution Upgrades subject to on-going monthly charges, irrespective of whether such replacement constitutes an enlargement, modification or betterment of that which it replaces; and the costs of which additions, enlargements, modifications, betterments or replacements in accordance with Accounting Practice would be capitalized and have not previously been included in the Interconnection Facilities Cost or the Distribution Upgrades Cost for those Distribution Upgrades subject to on-going monthly charges.
- (f) Capital Additions Cost: All costs, excluding One-Time Cost, determined by Distribution Provider to be associated with the design, engineering, procurement, construction and installation of Capital Additions.
- (g) Customer-Financed Monthly Rate: The rate most recently adopted by the CPUC for application to the Distribution Provider’s retail electric customers for added facilities, which does not compensate the Distribution Provider for replacement of added facilities. The currently effective Customer-Financed Monthly Rate is as provided in Section 16 of this Appendix A and shall automatically increase or decrease without formal amendment to this GIA if the CPUC subsequently authorizes a higher or lower percentage rate, effective with the date of such authorization.
- (h) Delivery Network Upgrades: The transmission facilities at or beyond the point where the Distribution Provider’s Distribution System interconnects to the CAISO Controlled Grid, other than Reliability Network Upgrades, as defined in the CAISO Tariff.
- (i) Delivery Network Upgrades Cost: The Interconnection Customer’s allocated share of all costs, excluding One-Time Cost, determined by the Distribution Provider to be

associated with the design, engineering, procurement, construction and installation of the Delivery Network Upgrades. The Delivery Network Upgrades Cost is provided in Section 15 of this Appendix A.

- (j) Delivery Network Upgrades Payment: The sum of the Delivery Network Upgrades Cost and associated One-Time Cost. The Delivery Network Upgrades Payment is provided in Section 17 of this Appendix A.
- (k) Distribution Upgrades Charge: The monthly charge to the Interconnection Customer to recover the revenue requirements for the Distribution Provider's Distribution Upgrades subject to on-going monthly charges, calculated as the product of the Customer-Financed Monthly Rate and the Distribution Upgrades Cost for those Distribution Upgrades subject to on-going monthly charges. The Distribution Upgrades Charge is provided in Section 16 of this Appendix A.
- (l) Distribution Upgrades Completion Date: The date upon which the construction of the Distribution Upgrades is complete and such facilities are successfully tested and ready for service.
- (m) Distribution Upgrades Cost: The Interconnection Customer's allocated share of all costs, excluding One-Time Cost, determined by the Distribution Provider to be associated with the design, engineering, procurement, construction and installation of the Distribution Upgrades. The Distribution Upgrades Cost is provided in Section 15 of this Appendix A.
- (n) Distribution Upgrades Payment: The sum of the Distribution Upgrades Cost and associated One-Time Cost. The Distribution Upgrades Payment is provided in Section 17 of this Appendix A.
- (o) Interconnection Facilities Charge: The monthly charge to the Interconnection Customer to recover the revenue requirements for the Distribution Provider's Interconnection Facilities, calculated as the product of the Customer-Financed Monthly Rate and the Interconnection Facilities Cost. The Interconnection Facilities Charge is provided in Section 16 of this Appendix A.
- (p) Interconnection Facilities Completion Date: The date upon which the construction of the Distribution Provider's Interconnection Facilities is complete and such facilities are successfully tested and ready for service.
- (q) Interconnection Facilities Cost: All costs, excluding One-Time Cost, determined by the Distribution Provider to be associated with the design, engineering, procurement, construction and installation of the Distribution Provider's Interconnection Facilities. The Interconnection Facilities Cost is provided in Section 15 of this Appendix A.
- (r) Interconnection Facilities Payment: The sum of the Interconnection Facilities Cost and associated One-Time Cost. The Interconnection Facilities Payment is provided in Section 17 of this Appendix A.

- (s) ITCC (Income Tax Component of Contribution): The ITCC is equal to the estimated tax liability described in Article 5.17.4 of the GIA and is the Income Tax Component of Contribution specified in the Preliminary Statement, Part M of the Distribution Provider's tariff on file with the CPUC, applicable to the Distribution Upgrades Cost and Interconnection Facilities Cost. The ITCC applicable to the Distribution Upgrades Cost and Interconnection Facilities Cost is described in Section 11 of this Appendix A and is shown in Section 15 of this Appendix A.
- (t) One-Time Cost: All costs determined by the Distribution Provider to be associated with the installation of the Delivery Network Upgrades, Distribution Upgrades, Distribution Provider's Interconnection Facilities, Reliability Network Upgrades, or Capital Additions which are not capitalized.
- (u) Reliability Network Upgrades: The transmission facilities at or beyond the point where Distribution Provider's Distribution System interconnects to the CAISO Controlled Grid, necessary to interconnect one or more Generating Facility(ies) safely and reliably to the CAISO Controlled Grid, as defined in the CAISO Tariff.
- (v) Reliability Network Upgrades Cost: The Interconnection Customer's allocated share of all costs, excluding One-Time Cost, determined by the Distribution Provider to be associated with the design, engineering, procurement, construction and installation of the Reliability Network Upgrades. The Reliability Network Upgrades Cost is provided in Section 15 of this Appendix A.
- (w) Reliability Network Upgrades Payment: The sum of the Reliability Network Upgrades Cost and associated One-Time Cost. The Reliability Network Upgrades Payment is provided in Section 17 of this Appendix A.
- (x) Removal Cost: The actual cost the Distribution Provider incurs for the removal of the Distribution Provider's Interconnection Facilities, Distribution Upgrades, or any portion thereof, which is calculated as the amount, if positive, of the costs of removal minus the salvage value of the Distribution Provider's Interconnection Facilities and Distribution Upgrades.
- (y) Tax Security: The Interconnection Customer's provision of security with respect to the Interconnection Customer's tax indemnification obligations, provided in accordance with Article 5.17.3.
- (z) Units of Property: As described in FERC's "List of Units of Property for Use in Connection with Uniform System of Accounts Prescribed for Public Utilities and Licensees" in effect as of the date of this GIA, as such "List" may be amended from time to time.

9. Transmission Credits. None.

10. Security Amount for the Distribution Upgrades, the Distribution Provider's Interconnection Facilities and Network Upgrades.

- (a) Distribution Upgrades: Pursuant to Article 11.5 and Appendix B of the GIA, the Interconnection Customer shall provide Interconnection Financial Security in the total amount of \$71,130.00 for the second posting and shall increase such amount to \$165,970.00 for the third posting to cover the costs for constructing, procuring and installing the Distribution Upgrades.
- (b) The Distribution Provider's Interconnection Facilities: Pursuant to Article 11.5 and Appendix B of this GIA, the Interconnection Customer shall provide Interconnection Financial Security in the total amount of \$74,190.00 for the second posting and shall increase such amount to \$173,110.00 for the third posting to cover the costs for constructing, procuring and installing the Distribution Provider's Interconnection Facilities.
- (c) Network Upgrades: Pursuant to Article 11.5 and Appendix B of this GIA, the Interconnection Customer shall provide Interconnection Financial Security in the total amount of \$0 for the second posting and shall increase such amount to \$0 for the third posting to cover the costs for constructing, procuring and installing the Network Upgrades.
- (d) To the extent that any Interconnection Financial Security is not utilized by the Distribution Provider, and such Interconnection Financial Security is eligible for release to the Interconnection Customer in accordance with Rule 21 or WDAT, as applicable, the release of such Interconnection Financial Security shall be made in accordance with the Interconnection Customer's instructions.

11. Security Amount for Estimated Tax Liability. Pursuant to Article 5.17.4 of the GIA, the Interconnection Customer's estimated tax liability is as follows:

Current Tax Rate x (Gross Income Amount – Present Value of Tax Depreciation)/(1 – Current Tax Rate) = 24%

Estimated tax liability for Distribution Provider's Interconnection Facilities = 24% x (Interconnection Facilities Cost) = 24% x (\$241,200.00) = \$57,888.00

Estimated tax liability for Distribution Upgrades = 24% x (Distribution Upgrades Cost) = 24% x (\$227,400.00) = \$54,576.00

Estimated tax liability assumes the following costs:

Interconnection Facilities Cost = \$241,200.00

Distribution Upgrades Cost = \$227,400.00

Based upon the total estimated tax liability, the Interconnection Customer shall provide the Distribution Provider Tax Security in the form of a cash deposit in an escrow account, a letter of credit, a parent guaranty or other form reasonably acceptable to the Distribution Provider

in the amount of \$112,464.00, pursuant to Article 5.17.3 and Appendix B of the GIA. The letter of credit, cash, or parent guaranty shall meet the requirements of Rule 21 Section F.4.

The Interconnection Customer's obligation to provide Tax Security shall terminate in accordance with Article 5.17.3 of this GIA. Upon termination of the Interconnection Customer's obligation to provide Tax Security, and Distribution Provider's receipt of the Interconnection Customer's written instructions regarding the release of any unused Tax Security, any unused amount of the Tax Security shall be released to the Interconnection Customer.

12. Removal of the Distribution Provider's Interconnection Facilities and Distribution Upgrades. Following termination of the GIA, the Distribution Provider will remove the Distribution Provider's Interconnection Facilities and Distribution Upgrades from service to the Interconnection Customer, pursuant to Article 2.5 of the GIA. On or before the date one year following termination of the GIA, the Distribution Provider shall notify the Interconnection Customer as to whether the Distribution Provider intends to physically remove the Distribution Provider's Interconnection Facilities, Distribution Upgrades, or any part thereof. If the Distribution Provider intends to physically remove the Distribution Provider's Interconnection Facilities, Distribution Upgrades, or any part thereof, then the Distribution Provider shall physically remove such facilities within two years from the date of notification of intent, and the Interconnection Customer shall pay the Removal Cost. If the Distribution Provider does not intend to physically remove the Distribution Provider's Interconnection Facilities, Distribution Upgrades, or any part thereof, then the Interconnection Customer shall have no obligation to pay such Removal Cost.

13. Charges.

- (a) The Interconnection Customer shall pay to the Distribution Provider the following charges in accordance with the GIA: (i) Interconnection Facilities Payment; (ii) Distribution Upgrades Payment; (iii) Reliability Network Upgrades Payment; (iv) Delivery Network Upgrades Payment; (v) payments for any Capital Additions; (vi) Distribution Upgrades Charge; (vii) Interconnection Facilities Charge; (viii) Removal Cost pursuant to Article 2.4.3 of the GIA and Section 12 of this Appendix A; (ix) termination charges pursuant to Article 2.4 of the GIA; and (x) disconnection costs pursuant to Article 2.5 of the GIA.
- (b) The Interconnection Facilities Cost, Distribution Upgrades Cost, Reliability Network Upgrades Cost, Delivery Network Upgrades Cost, Capital Additions Cost, One-Time Cost and Removal Cost shall be compiled in accordance with Accounting Practice.
- (c) If, during the term of the GIA, the Distribution Provider executes an agreement to provide service to another entity (other than retail load) that contributes to the need for the Distribution Provider's Interconnection Facilities, the charges due hereunder may be adjusted to appropriately reflect such service based on the Distribution Provider's cost allocation principles in effect at such time.

- (d) If Capital Additions are required in order to benefit the Distribution Provider, or because of damage caused by negligence or willful misconduct of the Distribution Provider, then the Interconnection Customer will not bear cost responsibility for such Capital Additions; and no adjustment will be made to the Interconnection Facilities Cost or the Distribution Upgrades Cost; and no Capital Additions Cost or One-Time Cost will be charged to the Interconnection Customer for such Capital Additions.

14. Supplemental Billing and Payment Provisions.

- (a) Pursuant to Article 12.1 of the GIA, the Distribution Provider shall submit to the Interconnection Customer invoices due for the preceding month for the Interconnection Facilities Payment, Distribution Upgrades Payment, Reliability Network Upgrades Payment and Delivery Network Upgrades Payment.
- (b) Pursuant to Article 10.5 of the GIA, commencing on or following the Interconnection Facilities Completion Date, each month the Distribution Provider will render bills to the Interconnection Customer for the Interconnection Facilities Charge. The Interconnection Facilities Charge shall initially be based on the estimated Interconnection Facilities Cost, as specified in Section 15 of this Appendix A, and payments made for such Interconnection Facilities Charge shall be subject to later adjustment pursuant to Sections 14(b)(i) and 14(b)(ii) of this Appendix A. The Interconnection Facilities Charge for the first and last month of service hereunder shall be pro-rated based on the number of days in which service was provided during said months.
 - (i) If the amounts paid for the Interconnection Facilities Charge are less than the amounts due for the Interconnection Facilities Charge, as determined from the actual recorded Interconnection Facilities Cost, the Distribution Provider will bill the Interconnection Customer the difference between the amounts previously paid by the Interconnection Customer and the amounts which would have been paid based on actual recorded costs, without interest, on the next regular billing.
 - (ii) If the amounts paid for the Interconnection Facilities Charge are greater than the amounts due for the Interconnection Facilities Charge, as determined from the actual recorded Interconnection Facilities Cost, the Distribution Provider will credit the Interconnection Customer the difference between the amounts previously paid by the Interconnection Customer and the amounts which would have been paid based on actual recorded costs, without interest, on the next regular billing.
- (c) Commencing on or following the Distribution Upgrades Completion Date, each month the Distribution Provider will render bills to the Interconnection Customer for the Distribution Upgrades Charge. The Distribution Upgrades Charge shall initially be based on the estimated Distribution Upgrades Cost, as specified in Section 15 of this Appendix A, and payments made for such Distribution Upgrades Charge shall be subject to later adjustment pursuant to Section 14(c)(i) and 14(c)(ii) of this Appendix A. The Distribution Upgrades Charge for the first and last month of service hereunder

shall be pro-rated based on the number of days in which service was provided during said months.

- (i) If the amounts paid for the Distribution Upgrades Charge are less than the amounts due for the Distribution Upgrades Charge, as determined from the actual recorded Distribution Upgrades Cost, the Distribution Provider will bill the Interconnection Customer the difference between the amounts previously paid by the Interconnection Customer and the amounts which would have been paid based on actual recorded costs, without interest, on the next regular billing.
 - (ii) If the amounts paid for the Distribution Upgrades Charge are greater than the amounts due for the Distribution Upgrades Charge, as determined from the actual recorded Distribution Upgrades Cost, the Distribution Provider will credit the Interconnection Customer the difference between the amounts previously paid by the Interconnection Customer and the amounts which would have been paid based on actual recorded costs, without interest, on the next regular billing.
- (d) In the event that any portion of the Distribution Provider's Interconnection Facilities or Distribution Upgrades is not complete but, at the request of the Interconnection Customer, the Distribution Provider commences interconnection service under this GIA notwithstanding the incomplete facilities, the Distribution Provider shall commence billing, and the Interconnection Customer shall pay, the Interconnection Facilities Charge and the Distribution Upgrades Charge, as applicable, commencing on the date that such service commences.
- (e) In accordance with Article 5.19.3 of the GIA, the Distribution Provider shall submit invoices to the Interconnection Customer for the preceding month for Capital Additions payments due, if any.
- (i) For Capital Additions that are the cost responsibility of the Interconnection Customer, the Distribution Provider will provide at least sixty (60) Calendar Days advance written notification to the Interconnection Customer prior to commencing work, except that the Distribution Provider may commence the work on the Capital Additions with either shorter advance written notification or written notification after the work has commenced, at the Distribution Provider's sole discretion, if the Distribution Provider determines that the Capital Additions are required to comply with safety or regulatory requirements or to preserve system integrity or reliability. Any such written notification will include the estimated cost of the Capital Additions, and the amount of and due date for the security, if any, required to be paid by the Interconnection Customer, which is sufficient to cover the costs for constructing, procuring and installing the Capital Additions consistent with the applicable terms of Article 11.5 of the GIA.
 - (ii) Except as provided in Section 13(d) of this Appendix A, if certain of the Distribution Provider's Interconnection Facilities or Distribution Upgrades are removed to accommodate Capital Additions and such removal results in a change in the Interconnection Facilities Cost or Distribution Upgrades Cost, the

Interconnection Facilities Charge or Distribution Upgrades Charge, as applicable, shall be adjusted to reflect the change in the Interconnection Facilities Cost or Distribution Upgrades Cost, as applicable, as of the in-service date of such Capital Additions.

- (iii) Except as provided in Section 13(d) of this Appendix A, if Capital Additions result in an increase in the Interconnection Facilities Cost or Distribution Upgrades Cost, then the Interconnection Facilities Charge or Distribution Upgrades Charge, as applicable, shall be adjusted as of the in-service date of such Capital Additions to reflect the change in such costs.
- (f) As soon as reasonably practicable, but within twelve (12) months after the in-service date of any Capital Additions, the Distribution Provider shall provide an invoice of the final cost of the construction of the Capital Additions to the Interconnection Customer, and shall set forth such costs in sufficient detail to enable the Interconnection Customer to compare the actual costs with the estimates and to ascertain deviations, if any, from the cost estimates. The Distribution Provider will refund to the Interconnection Customer any amount by which the payment made by the Interconnection Customer for estimated costs of the Capital Additions exceeds the actual costs of construction within thirty (30) Calendar Days of the issuance of such final construction invoice; or, in the event the actual costs of construction exceed the Interconnection Customer's payment made for the estimated costs of the Capital Additions, then the Interconnection Customer shall pay to the Distribution Provider any amount by which the actual costs of construction exceed the payment made by the Interconnection Customer for estimated costs within thirty (30) Calendar Days of the issuance of such final construction invoice.
- (g) If, in accordance with the removal of the Distribution Provider's Interconnection Facilities and Distribution Upgrades, as specified in Section 12 of this Appendix A, the Distribution Provider decides to physically remove the Distribution Provider's Interconnection Facilities, Distribution Upgrades, or any part thereof, the Distribution Provider shall render a bill to the Interconnection Customer for the Removal Cost. The Interconnection Customer shall pay the Removal Cost in accordance with Article 2.4.3 of the GIA. Such billing shall initially be based on the Distribution Provider's estimate of the Removal Cost. Within twelve (12) months following the removal of the Distribution Provider's Interconnection Facilities, Distribution Upgrades, or any part thereof, the Distribution Provider shall determine the actual Removal Cost and provide the Interconnection Customer with a final invoice. The Distribution Provider shall refund to the Interconnection Customer any amount by which the payment by the Interconnection Customer for the estimated Removal Cost exceeds the actual Removal Cost within thirty (30) Calendar Days of the issuance of such final invoice; or, in the event the actual Removal Cost exceeds the Interconnection Customer's payment for the estimated Removal Cost, then the Interconnection Customer shall pay to the Distribution Provider any amount by which the actual Removal Cost exceeds the payment by the Interconnection Customer for the estimated Removal Cost within thirty (30) Calendar Days of the issuance of such final invoice.

15. Interconnection Facilities Cost, Distribution Upgrades Cost, Reliability Network Upgrades Cost and Delivery Network Upgrades Cost Summary.

(a) Estimated Cost:

Element-	Interconnection Facilities Cost	Distribution Upgrades Cost	Reliability Network Upgrades Cost	Delivery Network Upgrades Cost	One-Time Cost	Total	ITCC*
Distribution Provider's Interconnection Facilities							
<ul style="list-style-type: none"> • Approx. ~20' overhead 2/0 BC conductor (for riser), • One (1) 4 Way Pad Mounted Gas Switch, Remote Control Switch for Gen. (RCSG) P.T. and Controller, • One (1) 16kV Pad Mounted Ground Detector, • Approx. ~300' underground 350 JCN cable, • 16kV Metering and assoc. wiring 	\$210,300.00				\$0	\$210,300.00	\$50,472.00
Corporate Environmental Health and Safety Review	\$14,700.00				\$0	\$14,700.00	\$3,528.00
Real Properties	\$16,200.00				\$0	\$16,200.00	\$3,888.00
Telemetry Requirements <ul style="list-style-type: none"> • Centralized RTU 	\$0				\$6,100.00	\$6,100.00	\$0
Distribution Upgrades							
Electrical Facilities <ul style="list-style-type: none"> • Replace Approx. 1,000' overhead conductor with 2/0 BC 		\$157,200.00				\$157,200.00	\$37,728.00
Substation Upgrades <ul style="list-style-type: none"> • Install one (1) bi-directional watt transducer at Capitan Substation 		\$50,300.00				\$50,300.00	\$12,072.00
Telecommunications (substation) <ul style="list-style-type: none"> • RTU point addition to SCADA 					\$9,700.00	\$9,700.00	\$0
Corporate Environmental Health and Safety Review		\$14,700.00				\$14,700.00	\$3,528.00
Real Properties		\$5,200.00				\$5,200.00	\$1,248.00
Reliability Network Upgrades							
None			\$0		\$0	\$0	\$0
Delivery Network Upgrades							
None				\$0	\$0	\$0	\$0
Total	\$241,200.00	\$227,400.00	\$0	\$0	\$15,800.00	\$484,400.00	\$112,464.00

*Note: ITCC/estimated tax liability will be provided pursuant to Appendix A, Section 11.

All amounts shown above are in nominal dollars.

(b) Actual Cost:

[TO BE INSERTED AFTER TRUE-UP OF ACTUAL COSTS]

Element	Interconnection Facilities Cost	Distribution Upgrades Cost	Reliability Network Upgrades Cost	Delivery Network Upgrades Cost	One-Time Cost	Total	ITCC
Total							

16. Interconnection Facilities Charge and Distribution Upgrades Charge.

(a) Interconnection Facilities Charge = Customer-Financed Monthly Rate x (Interconnection Facilities Cost)

Effective	Customer-Financed Monthly Rate	Estimated		Actual	
		Interconnection Facilities Cost	Interconnection Facilities Charge	Interconnection Facilities Cost	Interconnection Facilities Charge
As of the Interconnection Facilities Completion Date	0.38%	\$241,200.00	\$916.56	[to be inserted after true-up]	[to be inserted after true-up]

(b) Distribution Upgrades Charge = Customer-Financed Monthly Rate x (Distribution Upgrades Cost)

Effective	Customer-Financed Monthly Rate	Estimated		Actual	
		Distribution Upgrades Cost	Distribution Upgrades Charge	Distribution Upgrades Cost	Distribution Upgrades Charge
As of the Distribution Upgrades Completion Date	0.38%	\$227,400.00	\$864.12	[to be inserted after true-up]	[to be inserted after true-up]

17. Payment Schedule.

The payment amounts shown below are based on an estimate of the costs expected to be incurred for the Distribution Upgrades, Distribution Provider's Interconnection Facilities, and Network Upgrades.

Payment No.	Payment Due Date	Interconnection Facilities Cost	Distribution Upgrades Cost	Reliability Network Upgrades Cost	Delivery Network Upgrades Cost	One-Time Cost	Project Payment	Associated ITCC*
1.	Within 30 Calendar Days after the Effective Date	\$241,200	\$227,400	\$0	\$0	\$15,800	\$484,400	\$112,464
Total		\$241,200	\$227,400	\$0	\$0	\$15,800	\$484,400	\$112,464

All amounts shown above are in nominal dollars.

Interconnection Facilities Payment = (Interconnection Facilities Cost + associated One-Time Cost) = \$247,300.00

Distribution Upgrades Payment = (Distribution Upgrades Cost + associated One-Time Cost) = \$237,100.00

Reliability Network Upgrades Payment = (Reliability Network Upgrades Cost + associated One-Time Cost) = \$0

Delivery Network Upgrades Payment = (Delivery Network Upgrades Cost + associated One-Time Cost) = \$0

18. Additional Terms. None

Appendix B to GIA

Milestones

1. The Interconnection Customer's Selected Option: Pursuant to Article 5.1 of the GIA, the Interconnection Customer has selected the Standard Option.

2. Milestone Dates:

Item	Milestone	Responsible Party	Due Date
(a)	Submit proof of insurance coverage in accordance with Article 18.3 of the GIA	Interconnection Customer	Within ten (10) Calendar Days after the Effective Date
(b)	Submittal of second posting of Interconnection Financial Security for the Distribution Provider's Interconnection Facilities, Distribution Upgrades and Network Upgrades to the Distribution Provider, pursuant to Article 11.5 and Section 10 of Appendix A of the GIA	Interconnection Customer	Within one hundred twenty (120) Calendar Days after publication of the final Interconnection System Impact Study/DGS Phase I Interconnection Study report if the Interconnection Facilities Study/DGS Phase II Interconnection Study was waived (11/20/2017)
(c)	Submittal of third posting of Interconnection Financial Security for the Distribution Provider's Interconnection Facilities, Distribution Upgrades and Network Upgrades to the Distribution Provider, pursuant to Article 11.5 and Section 10 of Appendix A of the GIA	Interconnection Customer	On or before the start of Construction Activities (11/15/2018)
(d)	Submittal of Tax Security for the estimated tax liability to the Distribution Provider, pursuant to Article 5.17.3 and Section 11 of Appendix A of the GIA	Interconnection Customer	Within thirty (30) Calendar Days after the Effective Date
(e)	Submittal of written authorization to proceed with design and procurement of the Distribution Provider's Interconnection Facilities, Distribution Upgrades and Network Upgrades to the	Interconnection Customer	Within thirty (30) Calendar Days after the Effective Date

Item	Milestone	Responsible Party	Due Date
	Distribution Provider, in accordance with Article 5.5.2 of the GIA		
(f)	Submittal of written authorization to proceed with construction to the Distribution Provider, pursuant to Article 5.6.3 of the GIA	Interconnection Customer	Within thirty (30) Calendar Days after the Effective Date
(g)	Provide the following information (“Required Information”) in support of the Distribution Provider’s engineering and design of the Distribution Provider’s Interconnection Facilities and Distribution Upgrades: 1) a completed Distribution Provider provided Interconnection Customer information sheet, 2) a unique address for the project, 3) public right-of-way (street) base maps as required by the interconnection, 4) street improvement plans, 5) site plot plan on a 30:1 scale or digital file, 6) grading plans, 7) sewer and storm plot plans, 8) landscape, sprinkler and pedestal locations, 9) proposed location for the RTU, if applicable, 10) easements/lease agreements, and 11) panel drawings	Interconnection Customer	Within thirty (30) Calendar Days after the Effective Date
(h)	Submittal of initial specifications for the Interconnection Customer’s Interconnection Facilities and Generating Facility, including System Protection Facilities, to the Distribution Provider, pursuant to Article 5.10.1 and Article 24.3 of the GIA	Interconnection Customer	Within sixty (60) Calendar Days after the Effective Date
(i)	Review of and comment on the Interconnection Customer’s initial specifications, pursuant to Article 5.10.1 of the GIA	Distribution Provider	Within thirty (30) Calendar Days of the Interconnection Customer’s submission of initial specifications
(j)	Submittal of initial information including the Distribution	Distribution Provider	At least one hundred eighty (180) Calendar

Item	Milestone	Responsible Party	Due Date
	Provider's Transmission System information necessary to allow the Interconnection Customer to select equipment, in accordance with Article 24.2 of the GIA		Days prior to Trial Operation
(k)	Completion of the Distribution Provider's design and engineering of the Distribution Provider's Interconnection Facilities, Distribution Upgrades, if applicable, and the Civil Construction	Distribution Provider	Within ninety (90) Calendar Days of Distribution Provider's receipt of the Required Information
(l)	Provide to the Interconnection Customer: 1) an updated scope of work and design for the Distribution Provider's Interconnection Facilities, Distribution Upgrades, if applicable, and the Civil Construction; 2) an updated cost estimate and schedule related to the Distribution Provider's Interconnection Facilities and Distribution Upgrades, as applicable, if there are any material changes resulting from completion of the Distribution Provider's detailed design of Distribution Provider's Interconnection Facilities and Distribution Upgrades; and 3) comment on the Interconnection Customer's proposed location for the RTU, if applicable	Distribution Provider	Within five (5) Calendar Days following completion of the Distribution Provider's design and engineering of the Distribution Provider's Interconnection Facilities, Distribution Upgrades, if applicable, and the Civil Construction
(m)	Completion of the Civil Construction, including Distribution Provider's release, in accordance with Section 1 of Appendix A and Section 3 of Appendix C of the GIA	Interconnection Customer	Within sixty (60) Calendar Days after the Distribution Provider provides the design for the Civil Construction to the Interconnection Customer
(n)	Submittal of final specifications for the Interconnection Customer's Interconnection Facilities and Generating Facility,	Interconnection Customer	At least ninety (90) Calendar Days prior to the Initial Synchronization Date

Item	Milestone	Responsible Party	Due Date
	including System Protection Facilities, to the Distribution Provider, as specified in Article 5.10.1 of the GIA		
(o)	Review of and comment on the Interconnection Customer's final specifications, pursuant to Article 5.10.1 of the GIA	Distribution Provider	Within thirty (30) Calendar Days of the Interconnection Customer's submission of final specifications
(p)	Proposed Interconnection Customer's Interconnection Facilities completion date	Interconnection Customer	1/5/2020
(q)	Completion of the Distribution Provider's Interconnection Facilities, Distribution Upgrades, and Network Upgrades	Distribution Provider	Within eighteen (18) months following the Effective Date, assuming Items (g) and (m) of this Appendix B have occurred timely*
(r)	Notification of Interconnection Customer's intention to begin Commissioning Testing pursuant to Article 6.1 of the GIA	Interconnection Customer	Ten (10) Business Days prior to Interconnection Customer's planned Commissioning Testing
(s)	Commissioning Testing of the Interconnection Customer's Interconnection Facilities and Generating Facility, including performance of a complete calibration test and functional trip test of the System Protection Facilities, and testing of the Distribution Provider's Interconnection Facilities, Distribution Upgrades, and Network Upgrades all in accordance with Articles 6.1 and 9.7.4.6 of the GIA	Interconnection Customer and Distribution Provider	At least thirty (30) Calendar Days prior to the Initial Synchronization Date
(t)	Submission to the Distribution Provider of a written relay test report for the Interconnection Customer's System Protection Facilities	Interconnection Customer	Within five (5) Calendar Days following completion of Interconnection Customer's Commissioning Testing
(u)	Provide the Distribution Provider written notice of the Interconnection Customer's expected date of initial	Interconnection Customer	At least fifteen (15) Calendar Days prior to the Initial Synchronization Date

Item	Milestone	Responsible Party	Due Date
	synchronization of the Generating Facility to the Distribution System and CAISO Controlled Grid		
(v)	Provide the Interconnection Customer written notice that the required Distribution Provider facilities have been installed and tested, and have been approved to allow initial synchronization of the Generating Facility to the Distribution System and CAISO Controlled Grid and the commencement of Trial Operation in accordance with Article 6.1 of the GIA	Distribution Provider	At least ten (10) Calendar Days prior to the Initial Synchronization Date
(w)	Provide the CAISO written notice of the expected Initial Synchronization Date and of the Distribution Provider's notice approving the readiness of the required Distribution Provider facilities for initial synchronization of the Generating Facility to the Distribution System and CAISO Controlled Grid and the commencement of Trial Operation	Interconnection Customer	At least ten (10) Calendar Days prior to the Initial Synchronization Date
(x)	In-Service Date	Interconnection Customer	8/15/2020
(y)	Initial Synchronization Date/Trial Operation	Interconnection Customer	9/15/2020
(z)	Provide the CAISO and Interconnection Customer written notice that the required Distribution Provider facilities have been installed and tested, and have been approved to allow the Generating Facility to operate in parallel with the Distribution System and CAISO Controlled Grid	Distribution Provider	Within five (5) Calendar Days after the Initial Synchronization Date and satisfaction of the testing requirements of Articles 6.1 of the GIA and 9.7.4.6 of the GIA
(aa)	Commercial Operation Date	Interconnection Customer	10/1/2020
(bb)	Submittal to the Distribution Provider of "as-built" drawings, information and documents for the	Interconnection Customer	Within one hundred twenty (120) Calendar Days after the

Item	Milestone	Responsible Party	Due Date
	Interconnection Customer's Interconnection Facilities, including the Civil Construction, and the Generating Facility, in accordance with Article 5.10.3 of the GIA		Commercial Operation Date, unless otherwise agreed

*Note: The Interconnection Customer understands and acknowledges that such timeline is only an estimate and that equipment and material lead times, labor availability, outage coordination, regulatory approvals, right-of-way negotiations, or other unforeseen events could delay the actual in-service dates of the Distribution Provider's Interconnection Facilities, Distribution Upgrades, or Network Upgrades beyond those specified. The Distribution Provider shall not be liable for any cost or damage incurred by the Interconnection Customer because of any delay in the work provided for in this GIA.

Appendix C to GIA

Interconnection Details

- 1. Generating Facility:** All equipment and facilities comprising the Interconnection Customer's 1.994 net MW (2.274 gross MW) synchronous, biogas fueled GE Jenbacher JMS 416 generating facility known as the TAJIGUAS RESOURCE RECOVERY PROJECT ADF located at 14470 Calle Real, Santa Barbara, CA 93117, APN 081-150-019, GPS Coordinates: 34.48178017574828, -120.1323987598633, as disclosed by the Interconnection Customer in its Interconnection Request, as may have been amended during the Interconnection Study process, as summarized below:

Description: (i) a metal clad circuit breaker, AC fused disconnect, relay protection equipment and controls, (ii) the associated infrastructure and step-up transformers, (iii) meters and metering equipment, and (iv) appurtenant equipment.	
Total rated (gross) capacity at generator terminals:	<u>2.274</u> MW at <u>0.95</u> p.f.
Total net capacity provided under the GIA at high-side of main step-up transformer(s):	<u>1.994</u> MW
Total net capacity provided under the GIA at Point of Interconnection:	<u>1.994</u> MW

This GIA provides for a total net capacity of 1.994 MW as measured at the high-side of the main step-up transformer(s) and 1.994 MW at the Point of Interconnection. If the Generating Facility is capable of exceeding these values, the Interconnection Customer shall be required to install, own and maintain a control limiting device or, alternatively, by means of configuring the Generating Facility's control system, as approved by the Distribution Provider, that will ensure the Generating Facility complies with these restrictions.

The Interconnection Customer acknowledges that if the Interconnection Customer wishes to increase the amount of interconnection capacity provided pursuant to this GIA, the Interconnection Customer shall be required to submit a new Interconnection Request in accordance with the terms and conditions of applicable tariffs.

2. Interconnection Customer Operational Requirements:

- (a) Pursuant to Article 9.4 of the GIA, the Interconnection Customer shall operate the Generating Facility and the Interconnection Customer's Interconnection Facilities in accordance with Rule 21; and the Applicable Reliability Council requirements; and Applicable Reliability Standards.
- (b) The Generating Facility shall be operated so as to prevent or protect against the following adverse conditions on the Distribution Provider's electric system: inadvertent and unwanted re-energizing of a utility dead line or bus; interconnection while out of synchronization; overcurrent; voltage imbalance; ground faults; generated

alternating current frequency outside permitted safe limits; power factor or reactive power outside permitted limits; and abnormal waveforms.

- (c) The Parties agree that the Interconnection Customer shall not hold the Distribution Provider liable for damage to the Generating Facility that may be caused due to sympathetic generation tripping associated with the Interconnection Customer's Generating Facility design.

3. Interconnection Principles:

- (a) The costs associated with any mitigation measures required to third party transmission systems, which result from interconnection of the Generating Facility to the Distribution Provider's electrical system, are not reflected in this GIA. The Distribution Provider shall have no responsibility to pay costs associated with any such mitigation measures. If applicable, the Interconnection Customer shall enter into an agreement with such third parties to address any required mitigation.
- (b) In the event the Distribution Provider's Interconnection Facilities are utilized to provide retail service to the Interconnection Customer in addition to the Interconnection Service provided under the GIA, and the Interconnection Customer fails to make payment for such retail service in accordance with the Distribution Provider's applicable retail tariffs, then the Distribution Provider's Interconnection Facilities may be removed from service to the Interconnection Customer, subject to the notice and cure provisions of such retail tariffs, until payment is made by the Interconnection Customer pursuant to such retail tariffs.
- (c) Pursuant to Article 5.10.2 of the GIA, review by the Distribution Provider of the electrical specifications, design, construction, operation, or maintenance of the Generating Facility and Interconnection Customer's Interconnection Facilities shall not constitute any representation as to the economic or technical feasibility, operational capability, or reliability of such facilities. The Interconnection Customer shall in no way represent to any third party that any such review by the Distribution Provider of such facilities, including, but not limited to, any review of the design, construction, operation, or maintenance of such facilities by the Distribution Provider, is a representation by the Distribution Provider as to the economic or technical feasibility, operational capability, or reliability of the Generating Facility or Interconnection Customer's Interconnection Facilities.
- (d) The Distribution Provider's approval process specified in Article 6.1 of the GIA will include verification that the low-voltage ride-through, SCADA capability, and power factor correction equipment, if any, required pursuant to this GIA, have been installed.
- (e) The Parties acknowledge and agree that Interconnection Customer's construction of the Civil Construction work is being performed by the Interconnection Customer on its own behalf and Article 18.1 of the GIA does not apply. Accordingly, Interconnection Customer shall at all times indemnify, defend and save Distribution Provider harmless from any and all damages, losses, claims, demands, suits, recoveries, cost and expenses, court cost, attorney fees, and all other obligations, arising out of or resulting from the

Interconnection Customer's construction of the Civil Construction, except in the case of gross negligence or intentional wrongdoing by Distribution Provider.

- (f) Prior to commencing construction of the Civil Construction, Distribution Provider shall review Interconnection Customer's construction documents and Interconnection Customer shall obtain Distribution Provider's approval of such documents. Such approval shall not be unreasonably withheld.
- (g) During construction of the Civil Construction, Distribution Provider shall have the right to access the Civil Construction to conduct inspections.
- (h) If at any time during construction, Distribution Provider determines that the Civil Construction does not meet Distribution Provider's standards and specifications, Interconnection Customer shall remedy such deficiencies.
- (i) Following completion of construction of the Civil Construction and prior to the in-service date of the Civil Construction, Distribution Provider shall provide final inspection and field testing of the Civil Construction, and Interconnection Customer shall obtain an inspection release from the proper inspection authority.
- (j) Following completion of the Civil Construction, the Distribution Provider may determine that the Civil Construction, or a portion thereof, in support of the interconnection for the Generating Facility may need to be owned by the Distribution Provider. Upon such determination, the Civil Construction, or a portion thereof, will be reclassified as Distribution Provider's Interconnection Facilities and/or Distribution Upgrades, as applicable, and the Interconnection Customer shall be required to transfer ownership to the Distribution Provider. The Interconnection Customer understands and acknowledges that upon such transfer, it shall provide to Distribution Provider the final costs of the Civil Construction actually transferred in a form acceptable to the Distribution Provider, and Interconnection Customer shall be responsible for the ITCC and Interconnection Facilities Charge and/or Distribution Upgrades Charge for the portion of the Civil Construction transferred to Distribution Provider. Any reclassification of the Civil Construction and the terms and conditions related to the transfer of the reclassified portions of the Civil Construction to the Distribution Provider shall be reflected in an amendment to the GIA.
- (k) Within one hundred-twenty (120) Calendar Days of the Commercial Operation Date, Interconnection Customer shall deliver to Distribution Provider "as-built" drawings, information, and any other documents that are required by Distribution Provider to assure that the Civil Construction is built to the standards and specifications required by Distribution Provider.
- (l) The Interconnection Customer shall complete and receive approval for all environmental impact studies and any permitting necessary for the construction, operation and maintenance of the Generating Facility and Interconnection Customer's Interconnection Facilities. The Interconnection Customer shall include the Distribution Provider's Interconnection Facilities, Distribution Upgrades and Network Upgrades

described in Appendix A of this GIA in all such environmental impact studies, where applicable. The Interconnection Customer shall provide the results of such studies and approvals to the Distribution Provider for use in the Distribution Provider's application(s) to obtain the regulatory approvals required to be obtained by Distribution Provider for the construction, operation and maintenance of the Distribution Provider's Interconnection Facilities, Distribution Upgrades and Network Upgrades described in Appendix A of this GIA.

- (m) The Interconnection Customer is responsible for all costs associated with any necessary relocation of any of the Distribution Provider's facilities as a result of the Generating Facility and Interconnection Customer's Interconnection Facilities and acquiring all property rights necessary for the Interconnection Customer's Interconnection Facilities, including those required to cross the Distribution Provider's facilities and property. The relocation of the Distribution Provider's facilities or use of the Distribution Provider's property rights shall only be permitted upon written agreement between the Distribution Provider and the Interconnection Customer. Any proposed relocation of the Distribution Provider's facilities or use of the Distribution Provider's property rights may require a study and/or evaluation, the cost of which would be borne by the Interconnection Customer, to determine whether such use may be accommodated. The terms and conditions of any such use of the Distribution Provider's facilities or property rights would be the subject of a separate agreement and any associated costs to the Interconnection Customer would not be considered to be associated with a Network Upgrade or Distribution Upgrade and would not be refundable to the Interconnection Customer pursuant to Article 11.4 of this GIA.
- (n) This GIA does not address any requirements for standby power or temporary construction power that the Generating Facility may require prior to the Interconnection Facilities Completion Date. Should the Generating Facility require standby power or temporary construction power from the Distribution Provider prior to the Interconnection Facilities Completion Date, the Interconnection Customer is responsible to make appropriate arrangements with the Distribution Provider to receive and pay for such retail service.

4. Not Used.

5. Interconnection Operations:

- (a) The Interconnection Customer shall cause the Generating Facility to participate in any protection scheme required to prevent thermal overloads and unstable conditions resulting from outages. Such participation shall be in accordance with Rule 21, applicable CPUC regulations, FERC regulations, and CAISO Tariff provisions and protocols. The Interconnection Customer will not be entitled to any compensation from the Distribution Provider, pursuant to the GIA, for loss of generation output when (i) the Generating Facility's generation is reduced or the Generating Facility is tripped off-line due to implementation of a protection scheme; or (ii) such generation output is restricted in the event any protection apparatus becomes inoperable. In accordance with Good Utility Practice, the Distribution Provider will provide the Interconnection

Customer advance notice of any required protection scheme beyond that which has already been identified in the Interconnection Studies and this GIA.

- (b) The GIA governs the facilities required to interconnect the Generating Facility to Distribution Provider's electrical system pursuant to applicable tariffs and as described herein. Interconnection Customer shall be responsible for making all necessary operational arrangements with the CAISO, including, without limitation, arrangements for obtaining transmission service from the CAISO, and for scheduling delivery of energy and other services to the CAISO Controlled Grid.
- (c) The Interconnection Customer acknowledges that the Generating Facility is subject to the CAISO congestion management procedures set forth in the CAISO Tariff. This may result in limiting the output of the Generating Facility in the CAISO's markets. A Generating Facility's deliverability status does not affect how the resource is scheduled, dispatched, or curtailed in the CAISO's markets.
- (d) Following outages of the Interconnection Facilities or the Generating Facility, the Interconnection Customer shall not energize the Generating Facility or Interconnection Customer's Interconnection Facilities for any reason without specific permission from the Distribution Provider's operations personnel. Such permission shall not be unreasonably withheld.
- (e) The Interconnection Customer shall maintain operating communications with the Distribution Provider's designated switching center. The operating communications shall include, but not be limited to, system parallel operation or separation, scheduled and unscheduled outages, equipment clearances, protective relay operations, and levels of operating voltage and reactive power.
- (f) In accordance with Rule 21, as of the Effective Date the Generating Facility will have Energy-Only Deliverability Status. Any change in the deliverability status of the Generating Facility shall be made in accordance with the CAISO Tariff.
- (g) The Distribution Provider may perform technical assessments reasonably related to interconnection or operation of the Generating Facility when requested by the Interconnection Customer, directed by the CAISO in accordance with the CAISO Tariff, or as deemed necessary by the Distribution Provider, at the Interconnection Customer's expense, with scope, timing and cost to be determined by the Distribution Provider.
- (h) In accordance with Article 5.12 of the GIA, the Interconnection Customer and Distribution Provider shall execute any necessary supplemental agreements, as determined by the Distribution Provider, to effectuate and record such easement(s) which provides the Distribution Provider unrestricted 24 hour access to Distribution Provider's Interconnection Facilities, and Distribution Upgrades, and Network Upgrades, if applicable, located on the Interconnection Customer's side of the Point of Change of Ownership for construction, operation, and maintenance.

- (i) Compliance with Applicable Reliability Standards: The Interconnection Customer shall comply with all Applicable Reliability Standards for the Interconnection Customer's Interconnection Facilities and the Generating Facility. The Distribution Provider will not assume any responsibility for complying with mandatory reliability standards for such facilities and offers no opinion as to whether the Interconnection Customer must register with NERC. If required to register with NERC, the Interconnection Customer shall be responsible for complying with all Applicable Reliability Standards for the Interconnection Customer's Interconnection Facilities and the Generating Facility up to the Point of Change of Ownership, as described in Section 5 of Appendix A of this GIA.

Appendix D to GIA

Security Arrangements Details

Infrastructure security of Distribution System and Transmission System equipment and operations and control hardware and software is essential to ensure day-to-day Distribution System reliability and operational security. The CPUC will expect the CAISO, all transmission providers, market participants, and interconnection customers interconnected to the Distribution System and 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.

Appendix E to GIA
Commercial Operation Date

This Appendix E is a part of the GIA between Distribution Provider and Interconnection Customer.

[Date]

Manager, Grid Contract Management
Southern California Edison Company
P. O. Box 800
2244 Walnut Grove Avenue
Rosemead, California 91770

Re: _____ Generating Facility

Dear _____:

On **[Date]** **[Interconnection Customer]** has completed Trial Operation of Unit No. _____. This letter confirms that **[Interconnection Customer]** commenced Commercial Operation of Unit No. ____ at the Generating Facility, effective as of **[Date plus one day]**.

Thank you.

[Signature]

[Interconnection Customer Representative]

Appendix F to GIA

Addresses for Delivery of Notices and Billings

1. General Notices:

Distribution Provider	Interconnection Customer	Copy to: IC Contractor
Manager, Grid Contract Management P. O. Box 800 Rosemead, CA 91770	Leslie Wells, Deputy Director 130 E. Victoria St. Santa Barbara, CA 93101	MSB Investors, LLC John Dewey, CEO 17 Corporate Plaza, Ste. 200 Newport Beach, CA, 92660

2. Operating Communications and Notifications:

The Distribution Provider and the Interconnection Customer shall provide for operating communications through their respective designated representatives as follows:

The Parties agree to exchange the following information prior to the Initial Synchronization Date of the Generating Facility:

Distribution Provider	Interconnection Customer County of Santa Barbara
Grid Control Center/24 Hour Telephone:	Operator Name and/or Title: Control Room Operator 24 Hour Telephone:
	Operation Center Fax. No.: E-mail:

Operational Matters, Force Majeure, and Outage Notices:

Distribution Provider	Interconnection Customer	Copy to: IC Contractor
Name/Title: Phone:	Leslie Wells, Deputy Director Phone: (805) 882-3611	MSB Investors, LLC John Dewey, CEO 17 Corporate Plaza, Ste. 200 Newport Beach, CA, 92660

For Emergencies:

Distribution Provider	Interconnection Customer	IC Contractor
Name/Title: Phone:	Leslie Wells, Deputy Director Phone: (805) 882-3611	John Dewey, CEO Phone: (805) 259-9499

3. Billing and Payments:

Distribution Provider	Interconnection Customer	Copy to: IC Contractor
Southern California Edison Company Accounts Receivable (GCM) P. O. Box 800 Rosemead, CA 91771-0001	Leslie Wells, Deputy Director 130 E. Victoria St. Santa Barbara, CA 93101	MSB Investors, LLC John Dewey, CEO 17 Corporate Plaza, Ste. 200 Newport Beach, CA, 92660

4. Alternative Forms of Delivery of Notices (telephone, facsimile or e-mail):

Distribution Provider	Interconnection Customer	IC Contractor
Manager, Grid Contract Management Tel: (626) 302-9640 E-mail: GridContractManagement@sce.com	Leslie Wells, Deputy Director Phone: (805) 882-3611 Fax: (805) 882-3601	John Dewey, CEO Phone: (805) 259-9499 Fax: (805) 392-8113

Appendix G to GIA

Interconnection Customer's Share of Costs of Distribution Upgrades and Network Upgrades for Applicable Project Group

The Interconnection Request for the TAJIGUAS RESOURCE RECOVERY PROJECT ADF Project was evaluated under the Independent Study Process of Rule 21 and, therefore, this Appendix G does not apply.