

BEFORE THE PUBLIC UTILITIES COMMISSION OF NEVADA

Application of NEVADA POWER COMPANY d/b/a NV Energy and SIERRA PACIFIC POWER COMPANY d/b/a NV Energy, seeking approval of Second Amendment to 2018 Joint Integrated Resource Plan, including a change to the Demand-Side Action Plan to achieve 1.25% annual energy savings target, additions to the generation portion of the Supply-Side Action Plan including a new cooling pond for Tracy Unit 3 and a new agreement with Idaho Power Company for the orderly retirement of the North Valmy Station, updates to the Transmission Action Plan including several new transmission projects needed to serve growing distribution and transmission load.

Docket No. 18-06____

VOLUME 3 OF 4

TECHNICAL APPENDIX

TRANSMISSION

ITEM	DESCRIPTION	PAGE NUMBER
TRAN-5	Reid Gardner to Tortoise 230kV	2
TRAN-6	Schaffer 345 kV Facilities Study	142
TRAN-7	Bighorn 230 69kV Transformer	156
TRAN-8	Company HJ – Carson Lake SGIA	165
TRAN-9	Company 139 – Harry Allen Solar LGIA	215

TRAN-5

Tortoise - Reid Gardner 230 kV
Line #2 Project Proposal



March 2019

Executive Summary:

The Tortoise 230 kV Substation (operated by Overton Power District and Lincoln County Power District) is currently fed by a single 230 kV line from Reid Gardner 230 kV substation. The construction of a second 230 kV line from Reid Gardner to Tortoise is proposed to increase reliability to the approximately 100 MW of Overton load.

Background:

The Overton Power District and Lincoln County Power Districts are served radially out of the existing Reid Gardner 230 kV substation. Following a loss of this single 230 kV line, the approximately 100 MW of load are subject to sometimes prolonged outages. Only the Lincoln County Power District can be backfed through their 69 kV system, but Overton Power District has to remain without power until power can be restored via the 230 kV system, which in the past has taken hours, or overnight. This project would provide Overton Power District and Lincoln Power District with a second source, so that in the event of a failure of one line or during required maintenance, the customers could remain in power.

Scope:

The scope of work for NV Energy would require the addition of one (1) new 230 breaker at Reid Gardner Substation to create the necessary terminal for the new line. The Reid Gardner terminal addition also requires associated bus work to facilitate the new terminal. The scope of work also includes construction of a new, approximately 2.3 mile, 230 kV transmission line in a new right-of-way to the northeast of Reid Gardner Substation. The proposed line route crosses NV Energy owned land and Bureau of Land Management land.

Overton Power District is responsible for estimation, procurement and construction of a new terminal at their Tortoise 230 kV Substation, as this is not a part of the scope for NV Energy.

Estimated Costs:

Transmission Work Description	Estimated Cost
Cost associated with the engineering, material and construction activities for the transmission line	\$ 3,420,430
Substation Work Description	
Cost associated with the engineering, material and construction activities for the substation facilities at Reid Gardner	\$ 1,447,849.26
Communications Work Description	
Cost associated with the engineering, material and construction activities for the communications facilities	\$ 312,775.32
Environmental Description	
Cost associated with the environmental activities	\$ 1,741,082
Lands and Survey Work Description	
Cost associated with the lands and survey activities and permit fees. Tortoise fees will go up next month and at this time the amount is unknown	\$ 286,092
Total estimated cost	\$ 7,208,229.58

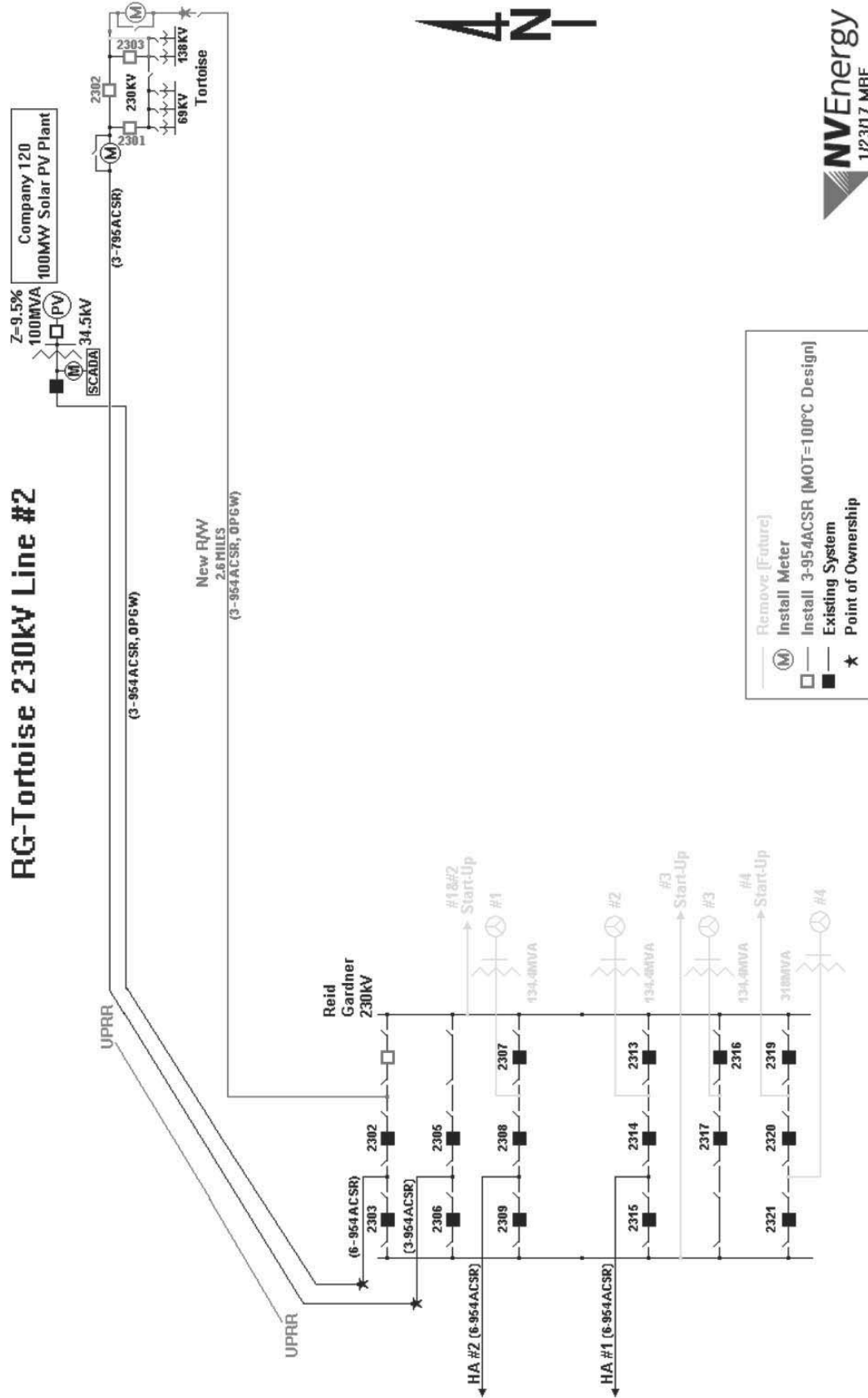
Timing:

The permitting timeline is highly dependent on the disturbances on the federal land and determinations by the Bureau of Land Management. At this time, the construction is anticipated to take approximately 6 months after all permits are in place and material is procured. The proposed in service date is 6/1/2022.

Tortoise to Reid Gardner 230 kV Line #2

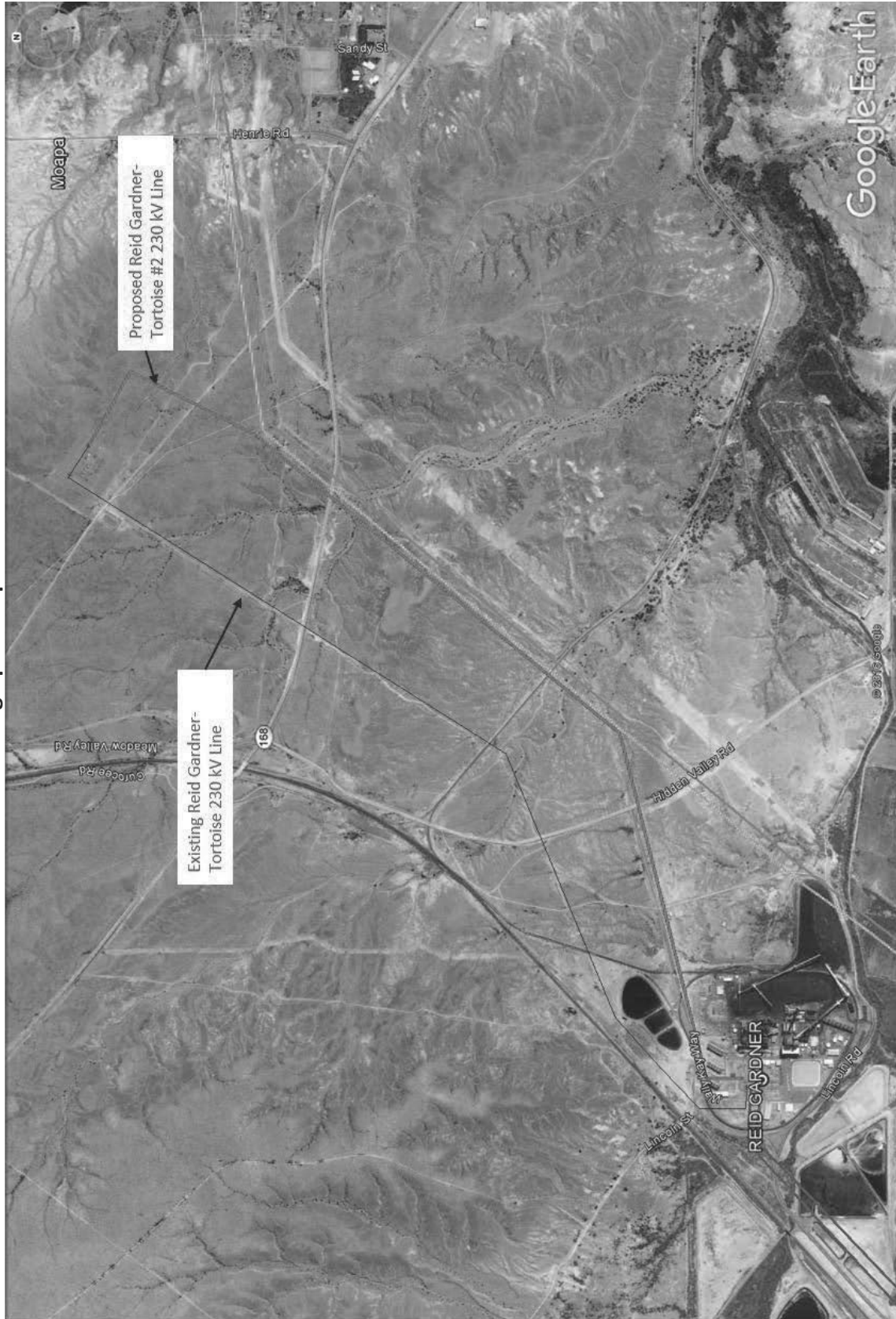
Proposed Facilities One-Line Diagram (Proposed in Red):

RG-Tortoise 230kV Line #2





Geographic Map:



Troutman Sanders LLP
401 9th Street, N. W., Suite 1000
Washington, D.C. 20004-2134

troutman.com



Christopher R. Jones
chris.jones@troutman.com

March 12, 2019

The Honorable Kimberly D. Bose
Secretary
Federal Energy Regulatory Commission
888 First Street, NE
Washington, DC 20426

Re: Nevada Power Company
Docket No. ER19-____-000
Amendment to Transmission Service Agreement

Dear Secretary Bose:

Pursuant to section 205 of the Federal Power Act and Part 35 of the Federal Energy Regulatory Commission "Commission") regulations, Nevada Power Company, d/b/a NV Energy "NV Energy" hereby submits for filing an amendment to its Agreement for Transmission Service between NV Energy, Overton Power District No. 5 "Overton", and Lincoln County Power District No. 1 ("Lincoln" the "Tri-Party Agreement"). The Tri-Party Agreement is a legacy grandfathered agreement, and is amended here for the purpose of resolving certain disputes between NV Energy and Overton and, more importantly, to transition Overton's transmission service from the grandfathered Tri-Party Agreement to *pro forma* service under the NV Energy open access transmission tariff ("OATT").

NV Energy respectfully requests that the Commission accept the enclosed amendment for filing effective May 11, 2019. Overton has authorized NV Energy to represent that Overton supports NV Energy's filing of this amendment.¹

¹ As discussed below, the instant amendment is a result of a Stipulation and Settlement Agreement between NV Energy and Overton. While Lincoln is not a party to the Stipulation and Settlement Agreement, Lincoln is a signatory to the underlying Tri-Party Agreement and thus will execute the enclosed amendment. Due to the Lincoln Board of Directors meeting schedule, Lincoln was not in a position to execute the enclosed amendment in time for this filing, but NV Energy has been authorized to state that Lincoln does not oppose this filing. NV Energy commits to filing a fully executed version in a compliance filing for completeness of the record, but timely acceptance of the enclosed amendment is important to NV Energy and Overton.

I. Background

The 1989 Tri-Party Agreement is a grandfathered transmission service agreement on file with the Commission. It was originally accepted for filing on October 5, 1989 in Docket No. ER89-546-000, and amended from time to time in the early 1990s prior to the effective date of FERC Order No. 888. Grandfathered agreements that pre-date the OATT provide for transmission service outside of the OATT.

In the case of the Tri-Party Agreement, NV Energy maintains, in addition to its other transmission interconnections, transmission interconnections with the Western Area Power Administration “Western” at Western’s Mead Substation and at the Clark Tie near Western’s Basic Substation. Overton and Lincoln are presently interconnected with the NV Energy transmission system at the Reid Gardner Generating Station 230 kV Switchyard “Interconnection Point”). Spanning back to the 1960s, NV Energy agreed, among other things, to wheel power and energy available to Overton through federally-authorized allocations from generating facilities at the Hoover dam. The Tri-Party Agreement has historically provided Overton and another municipal entity, Lincoln, an arrangement for transmission service to wheel its Hoover allocation to their respective loads. As a legacy agreement that has not been amended in over two decades, the Tri-Party Agreement has not yet been filed in the Commission’s e-tariff database.

The current Tri-Party Agreement contains a formula rate for service to Overton and Lincoln that is projected and trued up annually based on various cost-of-service inputs. Over the last two years, NV Energy and Overton have engaged in discussions about various concerns about how rates under the Tri-Party Agreement were calculated and how certain terms of service would apply to Overton’s power deliveries. During this period, NV Energy and Overton also discussed potential changes due to NV Energy’s participation in the California Independent System Operator Energy Imbalance Market. In the course of resolving those concerns, NV Energy and Overton also discussed a mechanism to transition Overton to full OATT service and terminate Overton’s participation in this legacy contract. The enclosed amendment seeks to resolve all of those issues and provides for the construction of new transmission interconnection from NV Energy’s transmission system to Overton’s distribution system so as to provide increased reliability to Overton’s retail loads.

To resolve the concerns under the existing Tri-Party Agreement and provide a path to OATT service for Overton, NV Energy and Overton have entered into a Stipulation and Settlement Agreement (the “Settlement Agreement”, a copy of which is attached hereto for informational purposes as Exhibit A. The Settlement Agreement is not being tendered as a jurisdictional rate schedule in and of itself because the terms thereof that affect or relate to transmission service are fully encapsulated in the enclosed amendment to the Tri-Party Agreement, which is provided in clean and redline eTariff record format.

II. Description of Amendment

As noted above, the enclosed amendment to the Tri-Party Agreement accomplishes many objectives. It resolves standing and potential future disputes under the existing agreement, recognizes the reliability benefits of a new 230kV transmission line, and ultimately

provides for Overton's transition to transmission service under NV Energy's OATT. The enclosed amendment does not affect the rates, terms, or conditions of service provided to Lincoln, the third party under the Tri-Party Agreement. The entirety of the amendment is found in new Exhibit B to the Tri-Party Agreement.

As to the transition to OATT service, NV Energy and Overton have agreed to a two-tiered transition period, at the conclusion of which Overton will take service under a conforming Network Integration Service Agreement ("NITSA") under NV Energy's OATT and terminate its participation in the Tri-Party Agreement. Under the terms of the enclosed amendment, NV Energy will continue to provide Overton service under the Tri-Party Agreement in "Transition Period I" and "Transition Period II". These two periods are demarcated by the construction of a new 230 kV transmission line from NV Energy's Reid Gardner to Tortoise substation the "New Reid Gardner-Tortoise Line"). Overton is currently only served by a single 230 KV circuit along this path, a configuration that has raised reliability of service concerns for Overton. The New Reid Gardner-Tortoise Line will enable NV Energy to provide enhanced, reliable transmission service to Overton. NV Energy will be including the New Reid Gardner-Tortoise Line in its 2019 amendment to the Integrated Resource Plan submitted to the Public Utilities Commission of Nevada, which is to be filed with the state commission in April 2019.

In Transition Period I the period between the effective date of the enclosed amendment and the commercial operation date of the New Reid Gardner-Tortoise Line, Section 5 of the enclosed amendment contains a new rate calculation consisting of, among other things, a black box revenue requirement figure, a requirement that Overton pay for or self-supply certain ancillary services, and a mechanism for Overton's use of certain credits that have been mutually agreed upon to resolve historic billing disputes. The parties anticipate that this approach will eliminate any disputes as to the revenue requirement calculation during this period, and enable them to work collaboratively during construction without disputes pending.

During Transition Period II a four-year period beginning on the commercial operation date of the New Reid Gardner-Tortoise Line), Overton will continue to take transmission service under the Tri-Party Agreement, but on terms more consistent with the rates, terms, and conditions paid by NV Energy's OATT customers. During this period, Overton will pay the prevailing rates under the OATT and receive the service rights in the same manner as if Overton were taking service under a NITSA. This four-year period also reflects an orderly wind down for certain entitlements to transmission service without charge under the legacy Tri-Party Agreement. Specifically, in the first year of Transition Period II, Overton will receive a credit for 20 MW of transmission service, which parallels the level of credit that it currently receives. That credit will decrease to 15 MW for the second year, 10 MW for the third year, and 5 MW for the

final year. At the conclusion of Transition Period II, Overton will execute a NITSA and become a full OATT customer.²

III. The Amendment is Just and Reasonable and Supported by the Affected Customer

NV Energy respectfully urges the Commission to find the enclosed amendment to the Tri-Party Agreement just and reasonable and accept it for filing. The amendment is a discrete modification to the Tri-Party Agreement to resolve disputes and bring Overton under the OATT. The amendment provides for a new, reliable transmission interconnection that will benefit Overton's retail consumers. It reflects a carefully negotiated settlement and orderly transition to OATT service for Overton. NV Energy is authorized to represent that Overton fully supports the amendment.

While the Commission has on occasion discouraged amendments to legacy grandfathered transmission agreements, so that customers taking new service take it under the OATT, the service provided hereunder is not new service but rather a continuation of service provided for over 50 years, and a central purpose of this amendment is to transition Overton to OATT service in a just and reasonable manner.³ Absent this negotiated transition, Overton would have no reason to give up the rights and obligations under the Tri-Party Agreement and the parties would not have been able to resolve all of their disputes without protracted litigation. Moreover, the Transition Period concept was necessary to ensure that Overton and its respective customers appropriately receive the benefits of various residual rights under the Tri-Party before taking full OATT service. The amendment also reflects the results of a good faith, bilateral negotiation that lasted in excess of two years to resolve a billing dispute under a jurisdictional agreement, without having to seek Commission intervention. Resolutions of disputes in this manner should be encouraged.

IV. Additional Information

A. Effective Date; Request for Waiver

NV Energy respectfully requests that the Commission accept the amended Tri-Party Agreement for filing, with an effective date of May 11, 2019, sixty days after filing. Additionally, NV Energy respectfully requests waiver of any other part of the Commission's regulations that has not been completely satisfied by this filing. The requested waiver is appropriate for the reasons set out above, and particularly given the affected customer's concurrence and support of the proffered amendments.

² The amendment also contains a moratorium on changes to the Tri-Party Agreement. A moratorium such as this is common in settlement agreements to ensure that a party moving for a rate change has to meet the highest burden before upsetting the benefit of the bargain to both parties.

³ The Commission has allowed modifications to grandfathered agreements under numerous circumstances. See, e.g., *Entergy Servs. Inc.*, 133 FERC ¶ 61,025 (2010); *Xcel Energy Servs. Inc.*, 126 FERC ¶ 61,001 (2009); *New York State Elect. & Gas Corp.*, 103 FERC ¶ 61,085 (2003); *Central Hudson Gas & Elec. Corp., et al.*, 95 FERC ¶ 63,013 at n. 31 (2001); *Midwest Independent Transmission System Operator, Inc., et al.*, 85 FERC ¶ 61,372 (1998).

B. Communications

All communications regarding this filing should be directed to the following persons:

David B. Rubin
 Senior Attorney – Federal Regulatory
 NV Energy
 6226 West Sahara Avenue
 Las Vegas, NV 89146
 Phone 702) 609-5663
drubin@nvenergy.com

Christopher R. Jones
 TROUTMAN SANDERS LLP
 401 9th St. N.W., Suite 1000
 Washington, D.C. 20004
 Phone 202 274-2950
chris.jones@troutman.com

C. Request for CEII Treatment

Pursuant to Section 388.113 of the Commission's regulations, NV Energy requests Critical Energy/Electric Infrastructure Information "CEII" protection for the amended Tri-Party Agreement. The Tri-Party Agreement contains a one-line diagram of certain electric facilities, and qualifies as CEII under Section 388.113 of the Commission's regulations, because it is "detailed design information" regarding the transmission and/or distribution of energy.⁴ NV Energy requests that the CEII designation of the Tri-Party Agreement commence as of the date of filing, and last for the maximum five-year period. Because these facilities are expected to remain in operation continuously going forward, NV Energy requests that the Commission continue to re-designate this information as CEII indefinitely, or for the maximum duration permitted by law.

D. Service

Pursuant to Rule 2010 of the Commission's Rules of Practice and Procedure, NV Energy is providing an electronic copy of this filing to Overton and Lincoln, if such customers have provided NV Energy with an e-mail contact address. To the extent that any such customers have not provided NV Energy a contact e-mail, NV Energy has served the customers with a hard copy of this filing to the last customer mailing address on file. In addition, NV Energy has served this filing on the Public Utilities Commission of Nevada.

E. Documents Included with this Filing

In accordance with the requirements of Order No. 714⁵ and the Commission's eTariff regulations, NV Energy is submitting an eTariff XML filing package consisting of the following materials:

1. This transmittal letter;
2. Tariff records:

⁴ 18 C.F.R. § 388.113 c 2) i).

⁵ *Electronic Tariff Filings*, 124 FERC ¶ 61,270 (2008).

The Honorable Kimberly D. Bose
March 12, 2019
Page 6



- A clean public copy of the amended Tri-Party Agreement for filing, in eTariff format;
 - A redline public copy of the amended Tri-Party Agreement for filing, in eTariff format;
 - A CUI/CEII copy of the executed Agreement, for inclusion in eLibrary; and
3. Exhibit A – Copy of Stipulation and Settlement Agreement between NV Energy and Overton.

V. Conclusion

For the reasons set forth above, NV Energy respectfully submits this filing and requests that the Commission accept it without change or condition.

Respectfully submitted,

/s/ Christopher R. Jones

Christopher R. Jones
Sidney Villanueva
TROUTMAN SANDERS LLP
401 9th Street, N.W., Suite 1000
Washington, D.C. 20004
202) 274-2950
chris.jones@troutman.com

David Rubin
Senior Attorney – Federal Regulatory
NV Energy
6226 West Sahara Avenue
Las Vegas, NV 89146
702) 609-5663
drubin@nvenergy.com

*Counsel for Nevada Power Company d/b/a
NV Energy*

Enclosures/Attachments

Nevada Power Company Rate Schedule No. 51

**AGREEMENT
FOR TRANSMISSION SERVICE
AMONG
NEVADA POWER COMPANY
AND
OVERTON POWER DISTRICT NO. 5
AND
LINCOLN COUNTY POWER DISTRICT NO.1**

ETariff Information

Tariff Submitter: Nevada Power Company

FERC Tariff Program Name: FERC FPA Electric Tariff

Tariff Title: Nevada Power Company - NPC Database

Tariff Record Proposed Effective Date: May 11, 2019

Tariff Record Title: Nevada Power Company Rate Schedule No. 51

Option Code: A

FERC NO. 51

**FEDERAL ENERGY
REGULATORY COMMISSION
WASHINGTON, D.C.**

ELECTRIC RATE SCHEDULE

FILING PARTY Nevada Power Co.
(supersedes FPC 6 + 7)

OTHER PARTY Overton Pwr. & Lincoln County

Docket No.: *ER19-546-008*Company: *NPC*FERC El. Rate Sch. No.: *57*Filing Date: *7-11-89*Effective Date: *3-1-89*

31
(Super PS 7-18)
 AGREEMENT
 FOR TRANSMISSION SERVICE
 AMONG
 NEVADA POWER COMPANY
 AND
 OVERTON POWER DISTRICT NO. 5
 AND
 LINCOLN COUNTY POWER DISTRICT NO. 1

6+7
 89 JUL 11 PM 2:18
 FEDERAL ENERGY
 REGULATORY COMMISSION
 PUBLIC REFERENCE ROOM

TABLE OF CONTENTS

	<u>Sections</u>	<u>Title</u>	<u>Page</u>
1	1	PARTIES.....	1
2	2	RECITALS.....	1
3	3	AGREEMENT.....	2
4	4	TERM.....	2
5	5	TRANSMISSION SERVICE.....	3
6	6	LINCOLN COUNTY LINE 69 KV TRANSMISSION LINE.....	5
7	7	INTERCONNECTION.....	10
8	8	BILLING AND PAYMENT.....	10
9	9	RESERVE OBLIGATIONS.....	11
10	10	SPINNING RESERVE OBLIGATIONS.....	12
11	11	COORDINATING COMMITTEE.....	12
12	12	UNCONTROLLABLE FORCES.....	13
13	13	NOTICES.....	14
14	14	LIABILITY.....	15
15	15	GENERAL CONTRACT PROVISIONS.....	15
16	16	EXECUTION.....	18
17		EXHIBIT A	A-1
18		EXHIBIT B	B-1

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26

AGREEMENT
FOR TRANSMISSION SERVICE
AMONG
NEVADA POWER COMPANY
AND
OVERTON POWER DISTRICT NO. 5
AND
LINCOLN COUNTY POWER DISTRICT NO. 1

1. PARTIES: This Agreement is entered into as of the first day of March, 1989 between NEVADA POWER COMPANY, a Nevada Corporation (Nevada) and the OVERTON POWER DISTRICT NO. 5, a Nevada municipal corporation (Overton), and the LINCOLN COUNTY POWER DISTRICT NO. 1, a Nevada municipal corporation (Lincoln), sometimes individually referred to as Party, or collectively as Parties.
2. RECITALS: This Agreement is made with reference to the following facts:
- 2.1 Nevada maintains, in addition to its other transmission interconnections, transmission interconnections with the United States Western Area Power Administration (Western) at Western's Mead Substation and at the Clark Tie near Western's Basic Substation.
- 2.2 Overton and Lincoln are presently interconnected with Nevada at Nevada's Reid Gardner Generating Station 230 KV Switchyard (Interconnection Point).
- 2.3 Under a June 16, 1967 wheeling agreement which terminated May 31, 1987, Nevada agreed, among other things, to wheel power and energy available to Overton from the facilities of the United States either directly or by displacement to the Interconnection Point.

1 2.4 Under the October 18, 1967 wheeling agreement which was subject to
2 termination on May 31, 1987, Nevada agreed, among other things, to
3 wheel power and energy available to Lincoln from the facilities of
4 the United States either directly or by displacement to the Inter-
5 connection Point. Said agreement established certain terms and
6 provisions for use by Nevada of Lincoln's 69 kV transmission line
7 known as the Las Vegas No. 3 Line. Said agreement has been con-
8 tinued until the effective date of this Agreement.

9 2.5 Lincoln and Overton each desire to contract with Nevada for trans-
10 mission service for power from Mead Substation 230 kV and the
11 Clark Tie to the 230 kV facilities at the Interconnection Point or
12 such other interconnection points as the Parties hereto may sub-
13 sequently agree.

14 2.6 Nevada is willing to continue to wheel power over its transmission
15 system for Lincoln and Overton.

16 3. AGREEMENT: The Parties agree as follows:

17 4. TERM:

18 4.1 This Agreement shall become effective as of the date first written
19 above and shall remain in effect for Lincoln until Lincoln's State
20 allocation of federal power is terminated, and for Overton until
21 Overton's State allocation of federal power is terminated.

22 4.2 Nevada shall request the Federal Energy Regulatory Commission
23 (FERC) to accept this Agreement for filing. Lincoln and Overton
24 shall support such filing by filing with the FERC a letter or other
25 notification of concurrence if requested to do so by either Nevada
26 or the FERC.

1 4.3 If, after filing this Agreement, the FERC orders any material
2 changes or modifications of this Agreement which are unacceptable
3 to any of the Parties, this Agreement shall become void as of the
4 effective date of such order, and all obligations except the obli-
5 gation to pay for transmission service received prior to such
6 effective date shall terminate thereafter.

7 5. TRANSMISSION SERVICE:

8 5.1 As of June 1, 1987, Lincoln and Overton received firm allocations
9 of power from Western through contracts with the State of Nevada.
10 Nevada shall receive such power at the Mead Substation 230 kV bus
11 or the Clark Tie Point, and deliver such power less losses to the
12 Interconnection Point.

13 5.2 From time to time, Lincoln and Overton will receive additional
14 allocations of federal power or firm power from other sources to
15 meet their electrical load. In accordance with procedures estab-
16 lished by the Coordinating Committee to provide timely notice of
17 new resources, Lincoln and Overton shall notify Nevada of such
18 other resource(s) and Nevada shall schedule and receive such power
19 at the Mead Substation 230 kV bus or the Clark Tie Point, and
20 deliver such power less losses to the Interconnection Point.
21 Other additional points of delivery may be established among the
22 Parties.

23 5.3 Nevada shall have the right to temporarily suspend the delivery of
24 electric power hereunder for the purpose of making repairs or
25 improvements to its system. Nevada shall, except in cases of
26 emergency, attempt to give Lincoln and Overton reasonable advance

1 notice of any temporary interruptions or reductions, and shall
2 diligently attempt to remove the cause thereof.

3 5.4 Due to the limitations of Lincoln's and Overton's existing facili-
4 ties at the Interconnection Point, the combined power deliveries
5 of Lincoln and Overton under Sections 5.1 and 5.2 shall not exceed
6 seventy (70) megawatts without additional agreement among the
7 Parties.

8 5.5 Should Lincoln's or Overton's supplier or suppliers fail to
9 deliver scheduled power or fail to schedule power for delivery to
10 Lincoln or Overton, Nevada shall not be responsible for or obli-
11 gated to provide any power to Lincoln or Overton under this
12 Agreement.

13 5.6 Except as provided in Section 6.8.3, Lincoln and Overton shall be
14 responsible for all costs associated with the delivery of power to
15 the Interconnection Point(s).

16 5.7 From time to time during the term of this Agreement, Western and
17 the State of Nevada will publish Lincoln's and Overton's obliga-
18 tions and requirements for scheduling their federal and Colorado
19 River Commission of the State of Nevada (CRC) power allocations,
20 including reserve requirements, metering, relaying, etc. Such
21 obligations, including all costs associated therewith, resulting
22 therefrom shall be the sole responsibility of Lincoln and Overton
23 and not an obligation of Nevada.

24 5.8 Lincoln and Overton shall continue to be responsible for all costs
25 associated with the operation, maintenance, replacement or impro-
26 vement of their equipment at Reid Gardner Station. Presently,

1 such equipment consists of three 22.4 MVA, 230 kV to 69 kV trans-
2 formers, two 69 kV circuit breakers; one 230 kV protective switch,
3 busses, disconnects, relaying and metering; and other related
4 equipment plus two 69 kV line connections to the present Lincoln
5 and Overton 69 kV lines. All existing and new planned facilities
6 and equipment are shown in Exhibit B attached.

7 5.9 For the term of this Agreement, Nevada shall continue to provide
8 the necessary easements to Lincoln and Overton for the installa-
9 tion, operation, maintenance and ownership of the aforementioned
10 substation and 69 kV lines at existing locations on the property
11 owned by Nevada.

12 5.10 Except as provided in Section 6.8.3, Lincoln and Overton shall
13 each pay Nevada a monthly transmission charge as calculated in
14 accordance with Exhibit A. Losses for the capacity and energy
15 wheeled shall be determined by the Coordinating Committee pursuant
16 to Section 11.2. In addition, Lincoln and Overton shall each
17 reimburse Nevada for any expenses, costs, losses or other charges
18 which Nevada may incur on their behalf from Western or other enti-
19 ties relating to the delivery or acceptance of power for their
20 respective systems.

21 6. LINCOLN COUNTY LINE 69 kV TRANSMISSION LINE

22 6.1 Lincoln does hereby transfer and convey to Nevada the 69 kV trans-
23 mission line known as the Las Vegas No. 3 line including all
24 equipment and facilities between Hoover Power Plant and the Sheep
25 Mountain Switch. For the purpose of this Agreement, the term
26 equipment and facilities shall include but is not limited to, the

1 poles, towers, conductors, and related hardware. It is agreed and
2 acknowledged by the Parties, that the Sheep Mountain Switches are
3 not included in said transfer and conveyance and shall remain the
4 property of Lincoln.

5 6.2 Lincoln does hereby grant and convey to Nevada such easements on
6 Lincoln's fee titled land and its land acquired by condemnation as
7 are necessary for the Las Vegas No. 3 line and does hereby assign
8 to Nevada all of Lincoln's rights under its federal grants of
9 rights-of-way and does assign to Nevada its rights under any other
10 easement appurtenant to and necessary for the Las Vegas No. 3
11 line, so long as a line remains on the easements and rights-of-way
12 herein granted and/or assigned. Any and all assignments required
13 by this section are subject to any restrictions or conditions con-
14 tained in the federal grant or in any grant of easement to
15 Lincoln, and Nevada agrees to take such assignments subject
16 thereto.

17 6.3 Lincoln and Nevada hereby agree to execute and deliver, or cause
18 to be executed and delivered, such instruments as are necessary
19 and proper so that all rights, titles, and interests in and to
20 that portion of the Las Vegas No. 3 line identified in Section
21 6.1, and the easements and rights-of-way identified in Section 6.2
22 will vest in Nevada and such instruments as are necessary and
23 proper so that Lincoln may assign the use of its easements and
24 rights-of-way to Nevada.

25 6.4 By this Agreement, Lincoln does not assign any right or interest
26 in the Las Vegas No. 3 line which it does not itself hold as of

1 the effective date of this Agreement.

2 6.5 Lincoln shall deliver to Nevada: (a) a bill of sale, assignments,
3 grants of easement and other instruments of transfer which are, in
4 the opinion of counsel for Nevada, necessary or advisable to
5 effect the transfer and create and assign the necessary easements
6 and rights-of-way as described in Section 6.2; (b) on or before
7 November 1, 1989, if not previously delivered, the documents
8 required by this Agreement and, (c) such other documents and evi-
9 dence as counsel for Nevada or Lincoln, as the case may be, shall
10 reasonably request as required under this Section 6 including
11 approval from Rural Electrification Administration satisfactory to
12 both Parties.

13 6.6 Lincoln shall not grant any interest, or use the lands identified
14 in Section 6.2, so as to interfere with the use by Nevada or be
15 inconsistent with the interests granted to Nevada herein. Fur-
16 ther, Lincoln shall preserve such land rights in good condition
17 by the timely payment of all taxes, assessments, etc on such
18 lands.

19 6.7 Each Party shall represent and warrant to the other Party that:

20 6.7.1 Its Board of Directors has duly authorized this
21 Agreement and the transactions contemplated herein.

22 6.7.2 The transactions contemplated by this Agreement will not
23 result in the breach of or constitute a default under
24 any indenture, mortgage, note agreement, or other
25 instrument or agreement to which such Party is a party
26 or to which such Party or its property is subject, nor

1 will it conflict with any provision of the charter or
2 bylaws, or any license, certificate, permit or franchise
3 of any public authority. The Parties further agree,
4 that any restrictions or conditions on the easements or
5 federal grants of right-of-way assigned by Lincoln to
6 Nevada, pursuant to Section 6.2 and to which Nevada
7 takes subject thereto, shall not be considered a breach
8 or default.

9 6.8 Nevada in return for such assignment, transfer and conveyance
10 shall:

11 6.8.1 Install at its cost the equipment identified in Exhibit
12 B including the necessary appurtenants to such equip-
13 ment. Nevada shall install such facilities in accor-
14 dance with its normal design and construction practices,
15 and such design and construction shall be coordinated
16 with Lincoln and Overton. Nevada shall have the right
17 to install used 69 kV circuit breakers as long as such
18 circuit breakers meet or exceed the design requirements
19 of the substation. Upon the in-service date of the
20 facilities installed pursuant to this Section, the
21 ownership of the 230 kV equipment including the 230 kV
22 disconnect switches for the transformers will vest with
23 Nevada, and the ownership of the 69 kV equipment and the
24 connections from the transformers to the 230 kV discon-
25 nect switches will vest with Lincoln and Overton.

26 6.8.2 Operate and maintain at its expense the 230 kV equipment
at the Reid Gardner Switchyard in accordance with pru-

1 dent utility practices and procedures. Such 230 kV
2 equipment shall include the 230 kV disconnect switches
3 installed pursuant to Section 6.8.1. Lincoln and
4 Overton shall be responsible for the operation, main-
5 tenance and future capital improvements of the 69 kV
6 equipment including the 230/69kV transformers in accor-
7 dance with prudent utility practices and procedures.
8 Such 69 kV equipment shall include the 69 kV circuit
9 breakers and 69 kV disconnect switches installed pur-
10 suant to Section 6.8.1.

11 6.8.3 Provide to Lincoln during the term of this Agreement 45
12 MW of transmission service between Mead Substation 230
13 kV bus and Reid Gardner 230 kV bus without the service
14 charge but subject to losses. In the event that Lincoln
15 cannot or does not utilize the full 45 MW, Lincoln can,
16 at its option, assign such unused portion to Overton.
17 Lincoln shall provide written notice of such assignment
18 or assignments.

19 6.8.4 Maintain a 69 kV interconnection at least equal to the
20 existing line capacity as a backup for delivery to
21 Lincoln and Overton at Sheep Mountain Switch.

22 6.9 In the event of an outage on the Hoover to Sheep Mountain Switch
23 portion of the Las Vegas No. 3 transmission line, Lincoln and
24 Overton agree to wheel power to Nevada at the Sheep Mountain
25 Switch to the extent that capacity is available on Lincoln and
26 Overton 69 kV facilities. Such wheeling service shall be at no
 cost to Nevada except for losses.

1 7. INTERCONNECTION:

2 7.1 The Parties shall execute an interconnection agreement which shall
3 among other things, establish arrangements for economy and emer-
4 gency transactions and coordinate required relaying, metering and
5 physical interconnection practices consistent with prudent utility
6 practice.

7 7.2 Lincoln and Overton each may be required to install or cause to be
8 installed, at its own expense, equipment and communication facili-
9 ties as required to provide Nevada with the necessary data and
10 information to perform scheduling in accordance with Western and
11 State of Nevada requirements.

12 8. BILLING AND PAYMENT:

13 8.1 Subject to the provisions of paragraph 6.8.3, Lincoln and Overton
14 shall each pay Nevada for transmission service costs in accordance
15 with the methodology for calculating such cost established in
16 Exhibit A.

17 8.2 Nevada shall have the right to unilaterally apply to FERC for a
18 change of rates under Section 205 of the Federal Power Act and
19 pursuant to the FERC rules and regulations promulgated there-
20 under.

21 8.3 Nevada shall bill Lincoln and Overton monthly for their respective
22 costs established in Section 8.1 and any other costs incurred
23 under this Agreement in a form satisfactory to the Parties.
24 Lincoln and Overton shall each pay their respective bills within
25 twenty (20) days of receipt. Amounts not paid on or before the
26 due date shall be payable with interest accrued at the rate of one

1 percent (1%) per month from the due date to the date of payment.

2 8.3.1 In the event any portion of any bill is in dispute, the
3 entire amount shall be paid when due and notice shall be
4 given that the disputed amount is being paid under pro-
5 test. If the protested portion of the payment is found
6 to be incorrect, it shall be refunded, including
7 interest calculated at the rate of one percent (1%) per
8 month prorated from the date of payment to the date of
9 refund.

10 8.4 Lincoln and Overton shall have the right to conduct an audit, no
11 more than once each year, of Nevada's records necessary to confirm
12 the costs incurred by Lincoln and Overton under this Agreement.
13 Such audit shall be at a place and time agreed upon by the Parties
14 and all direct costs associated with the audit shall be Overton's
15 and Lincoln's responsibility.

16 **9. RESERVE OBLIGATIONS:**

17 9.1 Each Party shall provide, or cause to be provided, an actual
18 planned reserve margin of at least fifteen percent (15%) of its
19 peak demand for each month of each calendar year. That portion of
20 its peak demand met by a firm federal hydroelectric resource,
21 shall be subtracted from the peak demand for the purpose of calcu-
22 lating planned reserve.

23 9.2 On or before November 1 of each calendar year, each Party shall
24 submit to the other Parties a program, prepared on a monthly
25 basis, of its system:

26 9.2.1 Peak demands, existing capacity resources and actual

reserve margins for the present and preceding calendar years,

9.2.2 Estimated peak demands, existing capacity resources, planned capacity resources, and forecast reserve margins for the next three (3) consecutive calendar years,

9.2.3 Estimated schedules of capacity and energy for the next calendar year.

10. SPINNING RESERVE OBLIGATIONS:

10.1 Each Party shall provide or cause to be provided its own spinning reserve capacity as set forth in Section 10.2.

10.2 Subject to Section 10.1, Nevada shall schedule and dispatch resources into the control area to maintain a minimum amount of spinning reserve capacity equal to the larger of:

10.2.1 Seven percent (7%) of the control area demand for the then-current clock-hour; or

10.2.2 The existing capacity resources associated with the largest single contingency loss of generation due to the loss of any single synchronized generation unit or single transmission line on or serving the control area.

11. COORDINATING COMMITTEE:

11.1 In order to provide liaison and effective coordination and cooperation regarding the interconnection of the Parties and the scheduling of power, each Party shall appoint an authorized representative to the Coordinating Committee. The Coordinating

1 Committee shall meet to resolve issues which may arise from time
2 to time. The Coordinating Committee shall not modify any terms or
3 provisions of this Agreement.

4 11.2 The Coordinating Committee shall from time to time establish
5 losses for capacity and energy delivered at the Interconnection
6 Point but such losses shall be no less than two percent (2%) nor
7 greater than five percent (5%).

8 12. UNCONTROLLABLE FORCES:

9 12.1 No liability whatsoever shall attach to Nevada for any failure,
10 interruption, or irregularity in the delivery of electric power,
11 and service under this Agreement due to acts of God, or any other
12 cause whatsoever, except where Nevada, through its own willful
13 action, fails to exercise reasonable diligence in providing such
14 power or service. Nevada shall have the right to temporarily
15 suspend the delivery of electric power hereunder for the purpose
16 of making repairs or improvements to its systems. Nevada shall,
17 except in cases of emergency, attempt to give the other Parties
18 reasonable advance notice of any temporary interruptions or reduc-
19 tions, and shall attempt to diligently remove the cause thereof.

20 12.2 In the event that Lincoln and Overton are delivering power over
21 their systems to the Sheep Mountain Switch for Nevada, then no
22 liability whatsoever shall attach to Lincoln or Overton for any
23 failure, interruption, or irregularity in the delivery of electric
24 power, and service under this Agreement due to acts of God, or any
25 other cause whatsoever, except where either Lincoln or Overton,
26 through its own willful action, fails to exercise reasonable dili-

1 gence in providing such power or service. Lincoln or Overton
 2 shall have the right to temporarily suspend the delivery of
 3 electric power hereunder for the purpose of making repairs or
 4 improvements to its systems. Lincoln and Overton shall, except in
 5 cases of emergency, attempt to give the other Parties reasonable
 6 advance notice of any temporary interruptions or reductions, and
 7 shall attempt to diligently remove the cause thereof.

8 **13. NOTICES:**

9 13.1 Any notice, demand or request, served, given or made, shall be
 10 delivered in person or sent by registered or certified mail,
 11 postage prepaid, to the persons specified below:

12 13.1.1 Nevada Power Company

13 c/o Secretary

14 P. O. Box 230

15 Las Vegas, Nevada 89151

16 13.1.2 Overton Power District No. 5

17 c/o Manager

18 P. O. Box 395

19 Overton, Nevada 89040

20 13.1.3 Lincoln County Power District No. 1

21 c/o Manager

22 P. O. Box 101

23 Pioche, Nevada 89043

24

25

26

1 **14. LIABILITY:**

2 14.1 No Party, its Directors, members of its governing bodies, Officers
3 or employees shall be liable to another Party for any loss or
4 damage to property, loss of earnings or revenues, personal injury,
5 or any other direct, indirect or consequential damages or injury
6 which may occur or result from the performance or non-performance
7 of a Party under this Agreement, including any negligence arising
8 hereunder, unless actions or claims and resulting liability,
9 judgments and costs were caused by or resulted from an action
10 taken or not taken by a Party at the direction of its Directors,
11 members of its governing bodies, or Officers, which is knowingly
12 or intentionally taken or not taken with conscious indifference to
13 the consequences thereof, or with intent that injury or damage
14 would result or would probably result therefrom.

15 **15. GENERAL CONTRACT PROVISIONS:**

16 15.1 WAIVERS. A waiver at any time by a Party of its rights with
17 respect to a default under this Agreement, or with respect to any
18 other matter arising in connection with this Agreement, shall not
19 be deemed a waiver with respect to any subsequent default or
20 matter. No delay, short of the statutory period of limitations in
21 asserting or enforcing any right hereunder shall be deemed a
22 waiver of such right.

23 15.2 ATTORNEYS' FEES. The Parties hereto further acknowledge in the
24 event either of the Parties to this Agreement are required to seek
25 judicial enforcement or arbitration of the rights to which they
26 are entitled pursuant to this Agreement or otherwise, the pre-

1 vailing Party in such litigation or arbitration shall be entitled
2 to an award of attorneys' fees and all costs associated with said
3 proceedings. The same shall apply to any appeal.

4 15.3 ENTIRE AGREEMENT. This Transmission Service Agreement, any docu-
5 ments which have been incorporated by reference herein and all
6 attachments constitute the complete Agreement concerning the
7 arrangement between the Parties and shall, as of the effective
8 date hereof, supersede all other transmission wheeling agreements
9 between the Parties, be they prior or contemporaneous, or oral.

10 15.4 AMENDMENT. This Agreement may be amended only by a written amend-
11 ment signed by the Parties hereto.

12 15.5 SEVERABILITY. All agreements and covenants, including all
13 paragraphs, sentences and clauses contained herein, are severable.
14 In the event any of them shall be held to be invalid by any com-
15 petent court, this Agreement shall be interpreted as if such in-
16 valid agreements or covenants were not contained herein.

17 15.6 NEVADA LAW. This Agreement shall be governed by the laws of the
18 State of Nevada.

19 15.7 ARBITRATION. The Parties agree that any controversy or claim
20 arising out of or relating to this Agreement, or the breach
21 thereof, shall be settled by arbitration in accordance with the
22 applicable arbitration rules of the State of Nevada Arbitration
23 Association or the American Arbitration Association, and judgment
24 upon the award rendered by the arbitrator(s) may be entered in any
25 court having jurisdiction thereof.

26 15.8 FURTHER ACTS. All Parties hereto shall perform any further acts,

1 assign and deliver any further documents and offer full coopera-
2 tion as may be reasonably necessary to carry out the provisions of
3 this Agreement.

4 15.9 AUTHORITY. The Parties hereto warranty and represent that all
5 necessary authorization for this Agreement has been obtained, and
6 that the signators hereto have been duly authorized to execute
7 same. Furthermore, Nevada Power Company, Overton Power District
8 No. 5, and Lincoln County Power District No. 1 warrant and repre-
9 sent that they are a Nevada corporation and two Nevada municipal
10 corporations, respectively, in good standing, with all the
11 necessary corporate powers to enter into this Agreement, and that
12 this Agreement will not violate any applicable Articles of
13 Incorporation, By-laws, Certificates of Charter, and/or any rules,
14 regulations and statues.

15 /
16 /
17 /
18 /
19 /
20 /
21 /
22 /
23 /
24 /
25 /
26 /

IN WITNESS WHEREOF, the Parties hereto have caused this Agreement to be
executed as of the date first written above:

NEVADA POWER COMPANY

By Frank K. Lander
Vice President
Resource Planning & Power Dispatch

ATTEST:

OVERTON POWER DISTRICT NO. 5

By Curtis B. Waite
Curtis B. Waite
Sec. of Bd. of Directors

By James C. Payne
James C. Payne
Pres. of Bd. of Directors

ATTEST:

LINCOLN COUNTY POWER DISTRICT NO. 1

By William F. Lynch
William F. Lynch - Secretary

By William R. Orr
William R. Orr - President

19 /
20 /
21 /
22 /
23 /
24 /
25 /
26 /

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26

TRANSMISSION SERVICE AGREEMENT

EXHIBIT A

METHODOLOGY FOR CALCULATING THE
COSTS FOR TRANSMISSION SERVICE

Docket No.: *ER89-546-000*
 Company: *NPC*
 FERC El. Rate Sch. No.: *51*
 Supp. No.: *1*
 Filing Date: *7-11-89*
 Effective Date: *3-1-89*

TRANSMISSION SERVICE AGREEMENT

EXHIBIT A

1. Subject to Section 6.8.2, the Monthly Transmission Service charge to be paid by Contractor (either Lincoln or Overton, as applicable) to Nevada shall be calculated by the formula:

$$A = \frac{BC}{12(C+D)}$$

Where,

A = Monthly Transmission Service Charge

B = Transmission Costs (Item 3.10)

C = Contractor's System Peak less amount of capacity sold to the Contractor by Nevada

D = Nevada's System Peak

2. Prior to May 15 of each year, Nevada shall furnish Lincoln the calculation of the Monthly Transmission Service Charge based upon Nevada's book costs for Items 3.1 and 3.2 as of December 31 of the prior year; the calculation of Item 3.3; Lincoln's Peak Demand for the prior year; and, Nevada's Peak Demand for the prior year. Monthly billings to Lincoln shall be based upon such calculations until revised the following year. Each year, beginning June 1989, the June bill will contain an adjustment, if any, to account for the difference between the previous year's and the most current year's system peak demands and transmission costs.

3. The Transmission Costs from Nevada's books and records shall be determined using the method set forth in this Item 3. All costs listed are for wholly-owned facilities of Nevada. The costs associated with jointly-owned facilities have been excluded.

3.1	Transmission Plant in Service (FERC Accounts 350-359)	<u>\$ 99,884,765</u>
3.2	Transmission Plant Reserve for Depreciation	<u>\$ 24,866,839</u>
3.3	Depreciated Transmission Plant in Service (Item 3.1 minus Item 3.2)	<u>\$ 75,017,926</u>
3.4	Nevada's rate of return including federal income taxes as calculated pursuant to Part 1	<u>13.71%</u>
3.5	Return on Investment (Item 3.4 times Item 3.3)	<u>\$ 10,284,958</u>
3.6	Transmission Operation and Maintenance Expenses	<u>\$ 2,996,787</u>
3.7	Transmission Depreciation Expenses	<u>\$ 2,014,211</u>
3.8	Real and Personal Property Tax as calculated pursuant to Part 2	<u>\$ 573,212</u>
3.9	Administrative and General Expense as calculated pursuant to Part 3	<u>\$ 1,217,681</u>
3.10	Transmission Costs (sum of Items 3.5, 3.6, 3.7, 3.8, and 3.9)	<u>\$ 17,086,849</u>

PART 1
CALCULATION OF NEVADA'S RATE OF RETURN

Nevada shall reserve the right to revise the following computation upon any material change in the data. Such revision shall be filed with the FERC pursuant to Section 205 of the Federal Power Act.

Weighted Cost of Capital As of May 31, 1989

Description (a)	Amount (b)	Ratio (c)	Cost (d)	Weighted Average (e)	FIT* 34/66 Total of Col. Col. (e) (f) + Col. (f)	
					(g)	(g)
Common Equity	\$343,591,744	44.00%	12.43%**	5.47%	2.82%	8.29%
Preferred Stock	42,520,566	5.00	7.55	.38	.20	.58
Long-Term Debt	379,028,319	49.00	9.54	4.67	--	4.67
Customer Deposits	<u>12,269,632</u>	<u>2.00</u>	8.25	<u>.17</u>	--	<u>.17</u>
Total	<u>\$777,410,261</u>	<u>100.00%</u>		<u>10.69%</u>	<u>3.02%</u>	<u>13.71%</u>

*Federal Income Tax

**The cost of Common Equity is the FERC generic rate effective at the date of filing.

PART 2
COMPUTATION OF PROPERTY TAXES
APPLICABLE TO MONTHLY TRANSMISSION SERVICE CHARGE

The following computation will be revised annually:

1. Total Plant @ 12/31/88	\$1,030,481,827
2. Held for Future Use	-0-
3. CWIP	40,035,344
4. Acquisition Adjustments	987,410
5. Materials & Supplies, including fuel	33,865,268
6. Reserve for Depreciation	(304,110,811)
Contributed Plant (Net of Depreciation)	<u>20,533,890</u>
7. Total	<u>\$ 821,792,928</u>
Less:	
8. Pollution Control Facilities @ 12/31/88	\$ 73,809,355
9. Nevada Net Licensed Vehicles @ 12/31/88	3,326,882
10. Arizona Net Plant @ 12/31/88	69,013,560
11. Utah Net Plant @ 12/31/88	1,407,971
12. Arizona M&S, including fuels @ 12/31/88	5,061,384
13. Utah CWIP @ 12/31/88	67,192
14. Arizona CWIP @ 12/31/88	<u>460,262</u>
15. Nevada Tax Base	<u>\$ 668,646,322</u>
	<u>\$ 5,108,970</u>
	$\$668,646,322 = 0.7641\%$
	$\$ 75,017,926 \times 0.7641\% = \$ 573,212$

PART 3
NEVADA ADMINISTRATIVE AND GENERAL EXPENSE
APPLICABLE TO MONTHLY TRANSMISSION SERVICE CHARGE

The following calculation will be revised annually:

Computation of Payroll Tax,
Benefits, Worker's Compensation,
and A&G Expense for 1988

Transmission Base Labor	\$ 1,729,802
Sick Leave, Vacation, & Holiday @ 13.5025%	<u>233,567</u>
Total	<u>\$ 1,963,369</u>
Payroll Taxes @ 7.53%	\$ 147,842
Benefits @ 16.04%	314,924
Worker's Compensation @ 1.25%	24,542
A&G @ 37.20%	<u>730,373</u>
Total	<u>\$ 1,217,681</u>

Docket No. *EL98-2666-000*
Company: *NPC*
FERC EL Rate Schedule No. *51*
Supp. No. *3*
Filing Date: *4-14-98*
Effective Date: *6-8-98*

**AGREEMENT
FOR
TRANSMISSION SERVICE**

AMENDMENT NO. 1

AMONG

NEVADA POWER COMPANY

AND

OVERTON POWER DISTRICT NO. 5

AND

LINCOLN COUNTY POWER DISTRICT NO. 1

AMENDMENT NO. 1

**AGREEMENT
FOR
TRANSMISSION SERVICE
AMONG
NEVADA POWER COMPANY
AND
OVERTON POWER DISTRICT NO. 5
AND
LINCOLN COUNTY POWER DISTRICT NO. 1**

TABLE OF CONTENTS

<u>Section</u>	<u>Title</u>	<u>Page</u>
1	PARTIES.....	1
2	RECITALS.....	1
3	AGREEMENT.....	2
4	TERM	2
5	MODIFICATION AND ADDITION TO TEXT OF ORIGINAL AGREEMENT	3
6	REVISION TO EXHIBIT B OF ORIGINAL AGREEMENT	5
7	AGREEMENT.....	5
8	AUTHORITY	5
9	EXECUTION	6
	EXHIBIT B, REVISION NO. 1	

August 15, 1997

AMENDMENT NO. 1
AGREEMENT
FOR
TRANSMISSION SERVICE
AMONG
NEVADA POWER COMPANY
AND
OVERTON POWER DISTRICT NO. 5
AND
LINCOLN COUNTY POWER DISTRICT NO. 1

1. **PARTIES:** This Amendment No. 1 (Amendment) is entered into as of the date entered in Section 9, (the Execution Date) by and between NEVADA POWER COMPANY (Nevada), a Nevada corporation, OVERTON POWER DISTRICT NO. 5 (Overton), a Nevada municipal corporation, and LINCOLN COUNTY POWER DISTRICT NO. 1 (Lincoln), a Nevada municipal corporation, sometimes individually referred to as Party, or collectively as Parties.

2. **RECITALS:** This Amendment is made with reference to the following facts, among others:
 - 2.1 Nevada is furnishing transmission service to Overton and Lincoln under the terms and conditions of an Agreement for Transmission Service dated March 1, 1989, hereinafter referred to as the "Agreement."
 - 2.2 Pursuant to the Agreement, Nevada agreed to install at Nevada's cost, certain 69 kV and 230 kV equipment at the Reid Gardner Switchyard.
 - 2.3 Lincoln and Overton desire to relocate the 230/69 kV substation at Reid Gardner to a new site called Tortoise Substation.
 - 2.4 In accordance with a Letter Agreement signed by the Parties dated April 11, 1994, the Parties agreed that Nevada will contribute \$170,000

toward relocation of the 230/69 kV substation from Reid Gardner to the Tortoise Substation.

2.5 Lincoln and Overton will construct a 2.2 mile 230 kV transmission line from Reid Gardner to the Tortoise substation and relocate or install certain 69 kV and 230 kV equipment at the Tortoise Substation.

3. **AGREEMENT:** The Parties agree as follows:

4. **TERMS:**

4.1 This Amendment is effective as of the Execution Date and shall remain in full force and effect concurrently with the Agreement.

4.2 Nevada shall request the Federal Energy Regulatory Commission (FERC) to accept this Amendment for filing. Lincoln and Overton shall support such filing by filing with FERC a letter or other notification of concurrence if requested to do so by either Nevada or FERC.

4.3 After this Amendment has been filed, if FERC or the Rural Electrification Association orders any material changes or modifications to this Amendment which are unacceptable to any of the Parties, this Amendment shall become void as of the effective date of such order, and the terms and conditions of the Agreement shall continue to remain in full force and effect.

5. MODIFICATION AND ADDITION TO TEXT OF ORIGINAL AGREEMENT :

5.1 Section 5 of the Agreement is hereby modified by:

5.1.1 Deleting subsection 5.4, the limitation is no longer required.

5.1.2 Deleting subsection 5.8 and replacing it with a new subsection 5.8 as follows:

"5.8 Lincoln and Overton shall be responsible for the operation, maintenance, replacement, or improvement of the Reid Gardner / Tortoise 230 kV line including all costs."

5.1.3 Revise subsection 5.9 as follows:

Delete the words "aforementioned substation and 69 kV" and replace with "230 kV and 69 kV transmission"

5.2 Section 6 of the Agreement is hereby modified by:

5.2.1 Deleting subsection 6.8.1 and replacing it with a new subsection 6.8.1 as follows:

"6.8.1 Install at its cost the equipment on the Reid Gardner side of the Interconnection Point identified in Exhibit B, Revision No. 1, including the necessary appurtenance to such facilities and equipment. Nevada shall install such facilities in accordance with its normal design and construction practices. Such design and construction shall be coordinated with Lincoln and Overton and their relocation of the 230/69 kV substation to the Tortoise Substation."

5.2.2 Deleting subsection 6.8.2 and replacing it with a new subsection 6.8.2 as follows:

"6.8.2 Own, operate and maintain at its expense the 230 kV facilities and equipment installed pursuant to Section 6.8.1 in accordance with prudent utility practices and procedures."

5.2.3 Add a new subsection 6.8.5 as follows:

"6.8.5 Nevada has contributed \$170,000 to Lincoln and Overton for the relocation of equipment from the Reid Gardner Substation to the Tortoise Substation in accordance with the Letter Agreement between the Parties dated April 11, 1994.

5.3 Section 7 of the Agreement is hereby amended by the addition of the following:

"7.3 The Interconnection Point among Nevada, Lincoln, and Overton shall be the dead-end structure of the Reid Gardner / Tortoise 230 kV line located just inside the fence of the Reid Gardner Substation. Interconnection Point is shown on the attached Exhibit B, Revision No. 1."

5.5 Section 11 of the Agreement is hereby modified by replacing Section 11.1 with the following:

"11.1 In order to provide liaison and effective coordination and cooperation regarding the Interconnection of the Parties and the scheduling of power, each Party shall appoint an Operating Representative and a Contract Representative to the Coordinating Committee. The Coordinating Committee shall meet to resolve issues which may arise

CEII REMOVED

NEVADA POWER COMPANY



April 11, 1994

Mr. Alma Whipple
General Manager
Overton Power District No. 5
P.O. Box 395
Overton, NV 89040

Document No. **EL98-2667-000**
Company: **Nevada Power Co.**
FERC EL Rate **51**
Supp. No. **1/703**
Filing Date: **4-14-98**
Effective Date: **6-8-98**

Dear Mr. Whipple:

This letter confirms the understanding and agreement reached between Overton Power District No. 5 (Overton) and Nevada Power Company (NPC) at a meeting held on March 28, 1994 concerning the amount of NPC's contribution to Overton and Lincoln County Power District No. 1 (Lincoln) for your relocation from Reid Gardner to the Tortoise Substation.

The participants at the meeting were yourself and Mr. K. Bloomfield representing Overton and Mr. E. Elizeh, Mr. M. Davis, Mr. T. Pfisterer and the undersigned representing NPC.

The meeting was held to discuss possible reductions in NPC's contribution as a result of various cost overruns suffered by NPC in its work at Reid Gardner which were alleged to have been caused in part by Overton/Lincoln's actions or inactions in relocating from Reid Gardner to the Tortoise Substation.

The parties thoroughly discussed the matter and reviewed the details and possible causes of NPC's cost overruns. As a result of our discussions, the parties agreed to the following:

- The amount of NPC's contribution was previously agreed by the parties to be \$200,000.
- Overton agreed to incur 50% of NPC's AFUDC charge. The total amount of NPC's AFUDC was \$60,000. Therefore, Overton would accept \$30,000 of the AFUDC which would result in a revised NPC contribution to Overton/Lincoln of \$170,000.
- The parties agreed that there were no other overrun charges (as listed in the attached NPC Variance Report) that would be incurred by Overton and Lincoln.
- Overton and Lincoln will not charge NPC and NPC will not incur any costs or liability for breakers provided by NPC which were alleged by Overton and/or Lincoln to be inoperable or defective and requiring repair and/or replacement.
- NPC and Overton will work together to resolve any outstanding issues related to metering, billing and scheduling.
- Overton will obtain Lincoln's agreement to the above matters.

6226 WEST SAHARA AVE. • P.O. BOX 230 • LAS VEGAS, NEVADA 89151-0230 • 702/367-5000

3/27/94 4:00

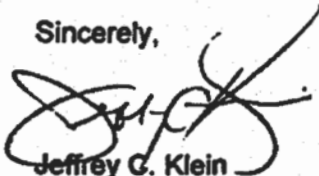
Mr. Alma Whipple
Overton Power District No. 5
April 11, 1994
Page 2

If the above represents your understanding and result of the meeting, please sign below and have Lincoln sign, to signify your agreement and return one copy to my attention.

Upon receipt of a signed copy of this letter, and upon resolution of any metering matters, a revised amendment to the Transmission Service Agreement will be sent to you.

NPC appreciates your time and assistance in this matter and as always, we look forward to the continuation of our excellent working relationship with both Overton and Lincoln.

Sincerely,



Jeffrey C. Klein
Manager, Resource Procurement

JCK/ri

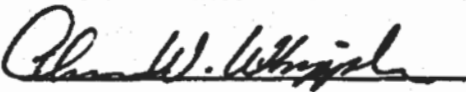
cc: E. Elizeh
M. Davis
T. Pfisterer

T. Davis
S. Gifford

Attachment

Overton Power District No. 5

By

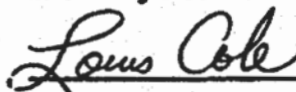


Title General Manager

Date April 29, 1994

Lincoln County Power District No. 1

By



Title Manager

Date June 13, 1994

3/12/94 JCK

VARIANCE REPORT

By Eric S. Chon

W.O. #97083

Acct. #107,353

Reid Gardner Substation

DESCRIPTION	ACTUAL AMT.		W.O. AMT.	DIFF. (WO-ACT)
	CODED	NON-CODED		
Power Ckt Breakers	0	319,000	330,000	11,000
Airbreak Switches	0	48,000	72,000	24,000
Potential devices	0	67,000	15,000	(52,000)
Steel	0	58,000	50,000	(8,000)
Relays and Panels	27,000	28,000	17,000	(38,000)
Cable, Bus, Insulato	12,000	0	5,000	(7,000)
Grounding, Conduit, Control Cable	28,000	17,000	2,000	(43,000)
Misc. & Stores	10,000	16,000	51,000	25,000
Foundations, Fence	0	64,000	35,000	(29,000)
Equipment Rental	0	4,000	20,000	16,000
Labor	0	322,000	252,000	(70,000)
AFUDC	0	83,000	23,000	(60,000)
Total	77,000	1,026,000	872,000	(231000)

Note: All dollar amounts are rounded to thousands.
This report is based on the expenses that came in as of 10-31-93. It looks like charges for all the major items have been posted except about \$16,000 more to be paid for the metering device. All other outstanding charges should be minimal.

page 1

ATTACHMENT I

Nevada Power's 1995 Transmission Costs Using the Rate of Return
Approved by the PSCN in 1992

Docket No. **ER97-3811-000**
Company: **NPC**
FERC EL Rate Set. Reg **51**
App. No.: **2**
Filing Date: **7-21-97**
Effective Date: **9-25-96**

TRANSMISSION SERVICE AGREEMENT

EXHIBIT A

1. Subject to Section 6.8.2, the Monthly Transmission Service Charge to be paid by Contractor (either Lincoln or Overton, as applicable) to Nevada shall be calculated by the formula:

$$A = \frac{B}{12} \frac{(C)}{(C + D)}$$

Where:

A = Monthly Transmission Service Charge

B = Transmission Costs (Item 3.10)

C = Contractor's System Peak less amount of capacity sold to the Contractor by Nevada

D = Nevada's System Peak

2. Prior to May 15 of each year, Nevada shall furnish Lincoln the calculation of the Monthly Transmission Service Charge based upon Nevada's book costs for Items 3.1 and 3.2 as of December 31 of the prior year; the calculation of Item 3.3; Lincoln's Peak Demand for the prior year; and, Nevada's Peak Demand for the prior year. Monthly billings to Lincoln shall be based upon such calculations until revised the following year. Each year, beginning June 1989, the June bill will contain an adjustment, if any, to account for the difference between the previous year's and the most current year's system peak demands and transmission costs.

A-1

3. The Transmission Costs from Nevada's books and records shall be determined using the method set forth in this Item 3. All costs listed are for wholly-owned facilities of Nevada. The costs associated with jointly-owned facilities have been excluded.

3.1	Transmission Plant in Service	
	(FERC Accounts 350-359)	\$262,339,916
3.2	Transmission Plant Reserve for Depreciation	<u>\$ 53,192,826</u>
3.3	Depreciated Transmission Plant in Service	
	(Item 3.1 minus Item 3.2)	\$209,147,090
3.4	Nevada's rate of return including federal income taxes as calculated pursuant to Part 1	<u>12.95%</u>
3.5	Return on Investment (Item 3.4 times Item 3.3)	\$ 27,084,548
3.6	Transmission Operation and Maintenance Expenses	\$ 5,404,143
3.7	Transmission Depreciation Expenses	\$ 6,240,501
3.8	Real and Personal Property Tax as calculated pursuant to Part 2	\$ 1,634,066
3.9	Administrative and General Expense as calculated pursuant to Part 3	<u>\$ 3,116,657</u>
3.10	Transmission Costs (sum of Items 3.5, 3.6, 3.7, 3.8 and 3.9)	<u>\$ 43,479,915</u>

PART 1**CALCULATION OF NEVADA'S RATE OF RETURN**

Nevada shall reserve the right to revise the following computation upon any material change in the data. Such revision shall be filed with the FERC pursuant to Section 205 of the Federal Power Act.

Weighted Cost of Capital as of July 29, 1992**For Reference Only**

	Weighted Cost of Capital Per Order Dated July 27, 1992 Docket No. 92-1029 and 92-1067 Page 99	FIT* 34/66 of Col. a	(Col. a) + (Col. b)
	(a)	(b)	(c)
Common Equity**	5.23%	2.69%	7.92%
Preferred Stock	0.46%	0.24%	0.70%
Long-Term Debt	4.04%		4.04%
Customer Deposits	0.05%		0.05%
Short Term Debt	<u>0.24%</u>	<u> </u>	<u>0.24%</u>
TOTAL	<u>10.02%</u>	<u>2.93%</u>	<u>12.95%</u>

* Federal Income Tax

** The cost of Common Equity is the Company's latest authorized rate since FERC generic rate has been discontinued.

PART 2

COMPUTATION OF PROPERTY TAXES

APPLICABLE TO MONTHLY TRANSMISSION SERVICE CHARGE

The following computation will be revised annually:

1.	Total Plant @ 12/31/95	\$2,116,337,235
2.	Held for Future Use	2,330,938
3.	CWIP	129,254,981
4.	Acquisition Adjustment	359,648
5.	Materials & Supplies, including fuel	36,709,877
6.	Reserve for Depreciation	(546,803,241)
	Contributed Plant (Net Depreciation)	<u>34,649,075</u>
7.	Total	\$1,772,838,513
Less		
8.	Pollution Control Facilities @ 12/31/95	\$113,809,228
9.	Nevada Net Licensed Vehicles @ 12/31/95	14,656,897
10.	Arizona Net Plant @ 12/31/95	56,658,698
11.	Utah Net Plant @ 12/31/95	1,106,124
12.	Arizona M&S, including fuels @ 12/31/95	4,141,661
13.	Utah CWIP @ 12/31/95	-0-
14.	Arizona CWIP @ 12/31/95	<u>24,252,360</u>
15.	Nevada Tax Base	<u>\$1,558,213,545</u>

$$\frac{\$12,174,722}{\$1,558,213,545} = 0.7813\%$$

$$\$209,147,090 \times 0.007813 = \$1,634,066$$

A-4

PART 3

**NEVADA ADMINISTRATIVE AND GENERAL EXPENSE
APPLICABLE TO MONTHLY TRANSMISSION
SERVICE CHARGE**

The following calculation will be revised annually:

**Computation of Payroll Tax
Benefits, Worker's Compensation
and A & G Expense for 1995**

Transmission Base Labor	\$2,766,177
Sick Leave, Vacation & Holiday @ 13.10%	<u>362,369</u>
Total	<u>\$3,128,546</u>
Payroll Taxes @ 7.41%	\$231,825
Benefits @ 28.11%	879,434
Worker's Compensation @ 1.38%	43,174
A & G @ 62.72%	<u>1,962,224</u>
Total	<u>\$3,116,657</u>

ATTACHMENT II

**Nevada Power's 1995 Transmission Costs Using the Rate of Return Last
Authorized by the FERC in Docket No. ER89-546-000**

TRANSMISSION SERVICE AGREEMENT

EXHIBIT A

1. Subject to Section 6.8.2, the Monthly Transmission Service Charge to be paid by Contractor (either Lincoln or Overton, as applicable) to Nevada shall be calculated by the formula:

$$A = \frac{B}{12} \frac{(C)}{(C + D)}$$

Where:

A = Monthly Transmission Service Charge

B = Transmission Costs (Item 3.10)

C = Contractor's System Peak less amount of capacity sold to the Contractor by Nevada

D = Nevada's System Peak

2. Prior to May 15 of each year, Nevada shall furnish Lincoln the calculation of the Monthly Transmission Service Charge based upon Nevada's book costs for Items 3.1 and 3.2 as of December 31 of the prior year; the calculation of Item 3.3; Lincoln's Peak Demand for the prior year; and, Nevada's Peak Demand for the prior year. Monthly billings to Lincoln shall be based upon such calculations until revised the following year. Each year, beginning June 1989, the June bill will contain an adjustment, if any, to account for the difference between the previous year's and the most current year's system peak demands and transmission costs.

A-1

3. The Transmission Costs from Nevada's books and records shall be determined using the method set forth in this Item 3. All costs listed are for wholly-owned facilities of Nevada. The costs associated with jointly-owned facilities have been excluded.

3.1	Transmission Plant in Service (FERC Accounts 350-359)	\$ 262,339,916
3.2	Transmission Plant Reserve for Depreciation	<u>53,192,826</u>
3.3	Depreciated Transmission Plant in Service (Item 3.1 minus Item 3.2)	209,147,090
3.4	Nevada's rate of return including federal income taxes as calculated pursuant to Part 1	<u>13.71%</u>
3.5	Return on Investment (Item 3.4 times Item 3.3)	28,674,066
3.6	Transmission Operation and Maintenance Expenses	5,404,143
3.7	Transmission Depreciation Expenses	6,240,501
3.8	Real and Personal Property Tax as calculated pursuant to Part 2	1,634,066
3.9	Administrative and General Expense as calculated pursuant to Part 3	<u>3,116,657</u>
3.10	Transmission Costs (sum of Items 3.5, 3.6, 3.7, 3.8 and 3.9)	<u>\$ 45,069,433</u>

PART 1

CALCULATION OF NEVADA'S RATE OF RETURN

Nevada shall reserve the right to revise the following computation upon any material change in the data. Such revision shall be filed with the FERC pursuant to Section 205 of the Federal Power Act.

Weighted Cost of Capital As of July 29, 1992

For Reference only

DESCRIPTION (A)	WEIGHTED AVERAGE (B)	FIT* 34/65 OF COL (B) (C)	TOTAL COL (B) + COL (C) (D)
Common Equity**	5.47%	2.82%	8.29%
Preferred Stock	0.38%	0.20%	0.58%
Long-Term Debt	4.67%		4.67%
Customer Deposits	<u>0.17%</u>	<u> </u>	<u>0.17%</u>
TOTALS	<u>10.69%</u>	<u>3.02%</u>	<u>13.71%</u>

* Federal Income Tax

** The cost of Common Equity is the Company's latest authorized rate since FERC generic rate has been discontinued.

PART 2

COMPUTATION OF PROPERTY TAXES

APPLICABLE TO MONTHLY TRANSMISSION SERVICE CHARGE

The following computation will be revised annually:

1.	Total Plant @ 12/31/95	\$2,116,337,235
2.	Held for Future Use	2,330,938
3.	CWIP	129,254,981
4.	Acquisition Adjustment	359,648
5.	Materials & Supplies, including fuel	36,709,877
6.	Reserve for Depreciation	(546,803,241)
	Contributed Plant (Net Depreciation)	<u>34,649,075</u>
7.	Total	\$1,772,838,513
Less		
8.	Pollution Control Facilities @ 12/31/95	\$113,809,228
9.	Nevada Net Licensed Vehicles @ 12/31/95	14,656,897
10.	Arizona Net Plant @ 12/31/95	56,658,698
11.	Utah Net Plant @ 12/31/95	1,106,124
12.	Arizona M&S, including fuels @ 12/31/95	4,141,661
13.	Utah CWIP @ 12/31/95	-0-
14.	Arizona CWIP @ 12/31/95	<u>24,252,360</u>
15.	Nevada Tax Base	<u>\$1,558,213,545</u>

$$\frac{\$ 12,174,722}{\$1,558,213,545} = 0.7813\%$$

$$\$209,147,090 \times 0.007813 = \$1,634,066$$

PART 3

NEVADA ADMINISTRATIVE AND GENERAL EXPENSE

APPLICABLE TO MONTHLY TRANSMISSION

SERVICE CHARGE

The following calculation will be revised annually:

**Computation of Payroll Tax
Benefits, Worker's Compensation
and A & G Expense for 1995**

Transmission Base Labor	\$2,766,177
Sick Leave, Vacation & Holiday @ 13.10%	<u>362,369</u>
Total	<u>\$3,128,546</u>
Payroll Taxes @ 7.41%	\$231,825
Benefits @ 28.11%	879,434
Worker's Compensation @ 1.38%	43,174
A & G @ 62.72%	<u>1,962,224</u>
Total	<u>\$3,116,657</u>

ATTACHMENT III - COMPARISON OF REVENUES

1996 transmission revenues collected from Overton and Lincoln using a rate of return of 12.95%, as authorized by the PSCN in 1992:

Nevada Power Company's 1995 Transmission Costs	\$43,478,915
Nevada Power Company's System Peak - July 1995	3,066,000 kW
Plus: Overton/Lincoln 1995 Peak	<u>8,508 kW</u>
	3,074,508 kW

Annual Transmission Revenues (Per Formula in Transmission Agreement)

$\frac{\$43,478,915 \times 8,508 \text{ kW}}{3,074,508 \text{ kW}}$	=	\$120,321
---	---	-----------

1996 transmission revenues collected from Overton and Lincoln using a rate of return of 13.71%, as approved by the FERC in Docket No. ER89-546-000:

Nevada Power Company's 1995 Transmission Costs	\$45,069,433
Nevada Power Company's System Peak - July 1995	3,066,000 kW
Plus: Overton/Lincoln 1995 Peak	<u>8,508 kW</u>
	3,074,508 kW

Annual Transmission Revenues (Per Formula in Transmission Agreement)

$\frac{\$45,069,433 \times 8,508 \text{ kW}}{3,074,508 \text{ kW}}$	=	\$124,719
---	---	-----------

TRANSMISSION SERVICE AGREEMENT
EXHIBIT B

Overton Transition to NITS Service

1. Notwithstanding anything to the contrary in this Agreement, this Exhibit B will govern the rates, terms and conditions of service to Overton under this Agreement from the effective date of this Exhibit B as established by the FERC and the effective date of Overton's service agreement for Network Integration Transmission Service ("NITSA") under Nevada's open access transmission tariff (the "OATT"). In this Exhibit B, any references to NV Energy shall be deemed to mean Nevada. This Exhibit B will not change any terms of service provided to Lincoln under this Agreement.
2. **Defined Terms.** The following terms shall apply for use in this Exhibit B.
 - a. The "Transition Period" means the period consisting of both "Transition Period I" and "Transition Period II."
 - b. "Transition Period I" means January 1, 2018 through date of commercial operation of NV Energy's planned new 230 kV Reid Gardner-Tortoise transmission line (the "New Reid Gardner-Tortoise Line .
 - c. "Transition Period II" means a period of four (4) years beginning on the date of commercial operation of the New Reid Gardner-Tortoise Line.
3. **Credits for Past Periods.** As a resolution to all prior disputes under this Agreement, Overton shall receive \$1,422,000 in credits from NV Energy (the "Credits") to be used toward transmission service provided by NV Energy under this Agreement on or after January 1, 2018. These credits will not accrue any additional interest.
4. **Transmission Service During the Transition Period Generally.** Overton agrees to continue to take transmission service from NV Energy under this Agreement, as modified by this Exhibit B, through the end of the Transition Period. During Transition Period II, Overton shall have comparable rights to use of the NV Energy transmission system as a transmission customer taking Network Integration Transmission Service "NITS") under NV Energy's OATT. In advance of the conclusion of the Transition Period II, Overton shall execute a NITSA under the OATT, to be effective upon termination of Transition Period II, and service to Overton under this Agreement will contemporaneously cease.
5. **Transmission Service During Transition Period I.** For Transition Period I, Overton will pay NV Energy the Transition Period I Rate as defined in this Section 5.
 - a. The Transition Period I Rate will consist of (i) a "black box" revenue requirement based on agreed upon costs, referred to in this Agreement as Transmission Costs (line 3.10) of \$113,779,655, and (ii) use of system peak data similar to that utilized currently and presented in Exhibit A of this Agreement to determine the Monthly Rate, namely:

$$\frac{\text{Monthly Rate}}{\text{Rate}} - \frac{\frac{\text{Transmission Costs}}{12}}{\text{Costs}} \times \frac{\text{Overton's System Peak}}{(\text{NV Energy's Transmission System Peak} + \text{Overton's System Peak})}$$

where:

- i. While deemed to be a “black box” revenue requirement, the Transmission Costs for Transition Period I expressly include adjustments to reflect the adjustment to the 21% Federal Income Tax rate set out in the Tax Cut and Jobs Act of 2017 and removal of all prior adjustments due to accruals for joint projects;
 - ii. NV Energy Transmission System Peak will be the Nevada Power Company system peak, the amount reported on Nevada Power Company’s FERC Form No. 1 page 400 column (b) for each applicable year. For the avoidance of doubt, NV Energy Transmission System Peak will not include load on the Sierra Pacific Power Company system;
 - iii. Overton’s System Peak will come directly from Overton’s meter data for each applicable calendar year of service (“Rate Year”);
 - iv. For each whole or partial Rate Year that Overton takes service under Transition Period I, NV Energy will continue to charge a Monthly Rate based on projections derived from historical costs, which will be trued up after the conclusion of each Rate Year, as set out in this Agreement; and
 - v. For avoidance of doubt, NV Energy will continue to invoice Overton on a monthly basis for service as set out in this Agreement, including all rights that Overton may have to use any portion of the 45 MW of Lincoln’s transmission service rights assigned to Overton in any month.
- b. For the True-Up of the 2018 Rate Year which will occur in 2019 once Overton System Peak and the NV Energy Transmission System Peak are known, NV Energy will apply Credits as set out in Section 3, above, to the trued up Monthly Rate in the amount of \$35,000/month.
 - c. For the 2018 Rate Year, NV Energy will charge Overton for reactive power at \$50/MW-mo times Overton’s Monthly Network Load and will gross up the meter reads to assess 2% for losses.
 - d. For service commencing as of January 1, 2019 and based on the application of the same Transition Period I Rate determined above, Overton will use the Credits to offset transmission service Monthly Rate charges in the amount of \$35,000 per month until all Credits are used. Overton may modify its use of Credits for the subsequent rate years by providing notice to NV Energy no later than September 1

of the prior year, e.g., September 1, 2019 for a change in credits effective January 1, 2020, such that NV Energy may appropriately budget for any such change in revenues. The transmission bill will be credited until OATT service commences or when the Credits are fully expended, whichever is earlier.

- e. For service commencing as of January 1, 2019 or such effective date established by FERC and continuing through the end of Transition Period I, NV Energy will charge for or require that Overton purchase or provide the following Ancillary Services and Losses:

- Schedule 1.
- Schedule 2.
- Schedule 1-A/Schedule 4/Schedule 9/Attachment P – per Energy Imbalance Market “EIM”) requirements of NV Energy Tariff for all imbalance settlement associated with Overton schedules e.g., as if an OATT customer). EIM uplifts under Schedule 1-A and Attachment P are charges billed to NV Energy that are then allocated to all customers by their Measured Demand (% usage of the Transmission System, as defined in the NV Energy OATT). With respect to any uplifts, Overton would receive a credit when the NV Energy Balancing Authority Area “BAA”) gets the imbalance credit from the California Independent System Operation (“CAISO”), and Overton would be charged an imbalance charge when the NV Energy BAA gets the imbalance charge from CAISO based on the ratio of their Measured Demand to the overall BAA measured demand. Schedule 4 and 9, imbalances either payments or charges) would be based on Overton’s schedules and the applicable locational marginal prices (“LMPs”).
- Overton’s Monthly Network Load, Measured Demand and NV Energy’s Monthly Transmission System Load will be calculated the same way that it is calculated under the OATT.
- Overton will be entitled to self-supply where permitted by the OATT. Unless given written notification to modify its request, Overton will be self-providing Schedules 3 and 10. If NV Energy does not receive a monthly tag for Schedule 10 from Overton, NV Energy will assume the election for self-providing losses has been modified and will bill Overton for losses.
- Overton will coordinate with its Scheduling Coordinator to ensure that they create a separate tag for losses to pay NV Energy back in kind for losses. For metering purposes and to ensure that Overton is isolated from any ancillary service responsibility associated with load that is not its own, NV Energy will use the ICCP link it set up with Lincoln last year to receive live meter data from Lincoln. NV Energy is currently receiving meter data for Mesa, Sheep Mtn and the Lincoln portion of the load at Tortoise. NV

Energy will apply an algorithm to the Overton totalizer) meter at Tortoise will minimize the EIM risk associated with Lincoln for Overton. NV Energy has data from the Q1000 meter at Tortoise. In the algorithm NV Energy would use the Q1000 meter and subtract the Lincoln meters at Tortoise, Mesa, and Sheep Mountain. NV Energy will also apply Overton's meter at MX Well. NV Energy will compare the schedule to the meter data which would have the algorithm in place to subtract the meters that are for Lincoln for purposes of billing and imbalance calculations.

6. **Transmission Service During Transition Period II.** For Transition Period II, Overton will pay NV Energy the Transition Period II Rate as defined in this Section 6.
 - a. Overton shall take transmission service and all applicable Ancillary Services on the same non-discriminatory terms provided to and required of customers under the OATT, and at the prevailing rates under the OATT in the same manner as if Overton were taking service under an OATT NITSA, except as provided in Section 6(b) of this Exhibit B. Any change in terms and conditions or rates under the NV Energy OATT shall apply to service to Overton under this Agreement during Transition Period II.
 - b. During Transition Period II, NV Energy will i) permit Overton to use any remaining Credits from Transition Period I, applied in equal increments each month over two 2 years of service; and ii) credit Overton's transmission charges in the following amounts decreasing over Transition Period II: 20 megawatts for the first calendar year of Transition Period II; 15 megawatts for the second calendar year of Transition Period II; 10 megawatts for the third calendar year of Transition Period II; 5 megawatts for the fourth calendar year of Transition Period II.
 - c. For the avoidance of doubt, during Transition Period II, Overton will have no rights to utilize the 45 MW of Lincoln's transmission service rights assigned to Overton in any month.
7. **Construction of the New Reid Gardner-Tortoise 230 kV Line.** NV Energy will use best efforts to construct the New Reid Gardner-Tortoise 230 kV Line to ensure NV Energy can provide reliable transmission service to Overton. NV Energy will construct a new terminal at Reid Gardner Substation to terminate the New Reid Gardner-Tortoise 230 kV Line and approximately 2.3 miles of 230 kV line to a location just outside of Tortoise Substation, the precise location of which is to be mutually agreed to. Overton will construct the continuation of the line and build a new terminal at Tortoise Substation to terminate the New Reid Gardner-Tortoise Line. NV Energy agrees to include the New Reid Gardner-Tortoise Line in its Integrated Resource Plan submittal to the Public Utilities Commission of Nevada "PUCN" in April 2019. At NV Energy's option, NV Energy may contribute up to \$300,000 toward Overton's terminal upgrades at the Tortoise substation by providing notice to Overton no later than May 1, 2019, which will serve as a further reduction to the balance of Credits, if such credits are available.

8. **Moratorium During Transition Period.** NV Energy and Overton agree that, with respect to any additional further changes by NV Energy or Overton (or any affiliates) under this Agreement affecting service to Overton, for the duration of the Transition Period, and except as provided by this Section 8: a) NV Energy shall not file with the FERC under Federal Power Act Section 205 to change any terms of this Agreement as it relates to Overton without Overton's agreement; and b) Overton shall not file with the FERC under Federal Power Act Section 206 to seek any changes to this Agreement. If: a) the PUCN does not approve the New Reid Gardner-Tortoise Line in the 2019 Integrated Resource Plan process or (b) the New Reid Gardner-Tortoise Line is not placed in service three years after final approval through the Integrated Resource Plan process, then both NV Energy's Federal Power Act Section 205 rights and Overton's Federal Power Act Section 206 rights to seek changes to this Agreement will be reinstated. The moratorium does not extend to Overton's right to participate in proceedings involving changes to the rates, terms and conditions of the NV Energy OATT that may directly or indirectly affect Overton during Transition Period II or thereafter.

Exhibit A

STIPULATION AND SETTLEMENT AGREEMENT

STIPULATION AND SETTLEMENT AGREEMENT

This **STIPULATION AND SETTLEMENT AGREEMENT** (the “Settlement Agreement”) is made and entered into effective as of February 21, 2019 (the “Effective Date”), by and between Nevada Power Company, d/b/a NV Energy (“NV Energy”) and Overton Power District No. 5 (“Overton”) (each a “Settling Party” and together, the “Settling Parties”).

RECITALS

WHEREAS, the Settling Parties are parties to that certain Agreement for Transmission Service among NV Energy and Overton and Lincoln County Power District No. 1 (“Lincoln”) dated March 29, 1989, as amended, and designated as a FERC jurisdictional rate schedule, that governs transmission service provided by NV Energy to both Overton and Lincoln (the “Tri-Party Agreement”);

WHEREAS, the Tri-Party Agreement is a grandfathered agreement and provides for transmission service to Overton outside NV Energy’s open access transmission tariff (“OATT”);

WHEREAS, the Tri-Party Agreement memorializes certain historical benefits and rights to the use of the NV Energy transmission system that are important to both of the Settling Parties;

WHEREAS, Overton has disputed certain historic charges from NV Energy, and each of the Settling Parties have raised concerns about practices that could affect future charges, regarding transmission service provided under the Tri-Party Agreement;

WHEREAS, NV Energy desires Overton to transition its transmission service from the Tri-Party Agreement to the OATT;

WHEREAS, to increase the reliability of service to the towns of Overton and Lincoln, which comprises of over 100 MW of balancing area load served by a single radial line, NV Energy will seek to construct a new transmission line from the Reid Gardner substation to the Tortoise substation (the “New Reid Gardner-Tortoise Line”);

WHEREAS, to accommodate the delivery of energy to Overton’s distribution system over the New Reid Gardner-Tortoise Line, Overton has committed to construct at its cost new facilities connecting to the Tortoise substation;

WHEREAS, the Settling Parties have negotiated in good faith and agreed to an omnibus solution that provides for amicable resolution of all disputes and an amendment to the Tri-Party Agreement that will provide for a period of continued service under the Tri-Party Agreement during a transition period (the “Transition Period,” as defined below), after which Overton will commence taking transmission service and associated ancillary services under the OATT;

NOW, THEREFORE, in consideration of the mutual covenants and agreements, and other good and valuable consideration, provided for herein, and subject to and upon the terms and conditions hereof, the Settling Parties agree as follows.

AGREEMENT

Section 1. Agreement to Amend the Tri-Party Agreement and Regulatory Approval.

- a. The Settling Parties agree to execute an amendment to the Tri-Party Agreement (the "TPA Amendment") reflecting the terms of this Settlement Agreement. The Settling Parties agree and understand that upon execution, NV Energy will promptly make a filing with the Federal Energy Regulatory Commission ("FERC") under Section 205 of the Federal Power Act for acceptance of the TPA Amendment. The TPA Amendment will affect rates, terms and conditions of service solely as to Overton. Overton agrees to support and not oppose such filing in a manner deemed appropriate by NV Energy. The effectiveness of this Settlement Agreement is contingent upon acceptance of the TPA Amendment by the FERC, without modifications or conditions deemed material by either of the Settling Parties in their sole discretion. In the case that either Settling Party deems a modification or condition required by FERC with respect to the TPA Amendment to be material, the Settling Parties agree to act in good faith to modify the TPA Amendment in a manner that preserves the benefits of this Settlement Agreement for the Settling Parties. The Settling Parties agree that this Settlement Agreement resolves all historic issues raised with respect to the Tri-Party Agreement including and up through the year 2018, and sets out mutual agreements with respect to prospective periods, as follows.
- b. The TPA Amendment shall provide for revised charges to Overton under the Tri-Party Agreement as provided in this Settlement Agreement for the Transition Period.
 - i. The Transition Period means the period consisting of both Transition Period I and Transition Period II.
 - ii. Transition Period I means January 1, 2018 through date of commercial operation of the New Reid Gardner-Tortoise Line.
 - iii. Transition Period II means a period of four (4) years beginning on the date of commercial operation of the New Reid Gardner-Tortoise Line.
- c. Overton agrees to continue to take transmission service from NV Energy under the Tri-Party Agreement, as modified by the TPA Amendment, through the end of the Transition Period. During Transition Period II, Overton shall have comparable rights to use of the NV Energy transmission system as a transmission customer taking Network Integration Transmission Service ("NITS") under NV Energy's OATT. In advance of the conclusion of Transition Period II, Overton shall execute a *pro forma* service agreement for Network Integration Transmission Service

(“NITSA”) under NV Energy’s OATT, to be effective upon termination of Transition Period II, and service to Overton under the Tri-Party Agreement will contemporaneously cease.

Section 2. Charges under the Tri-Party Agreement for 2017 and Before.

- a. The True-Up of 2016 and 2017 costs have been accepted and deemed final by both Settling Parties.
- b. For all periods prior to 2017 and as comprehensive resolution of all issues raised with respect to the Tri-Party Agreement, Overton shall receive \$1,422,000 in credits from NV Energy (the “Credits”) to be used toward transmission service provided by NV Energy under the Tri-Party Agreement on or after January 1, 2018. These credits will NOT accrue any additional interest.

Section 3. Charges under the Tri-Party Agreement for Transition Period I.

- a. For Transition Period I, the TPA Amendment will provide that Overton will pay NV Energy the Transition Period I Rate as defined in this Section 3.
- b. The Transition Period I Rate will consist of (i) a “black box” revenue requirement based on agreed upon costs, referred to in the Tri-Party Agreement as Transmission Costs (line 3.10) of \$113,779,655, and (ii) use of system peak data similar to that utilized currently and presented in Exhibit A of the Tri-Party Agreement to determine the Monthly Rate, namely:

$$\text{Monthly Rate} = \frac{\text{Transmission Costs}}{12} \times \frac{\text{Overton's System Peak}}{(\text{NV Energy's Transmission System Peak} + \text{Overton's System Peak})}$$

where:

- i. While deemed to be a “black box” revenue requirement, the Transmission Costs for Transition Period I expressly include adjustments to reflect the adjustment to the the 21% Federal Income Tax rate set out in the Tax Cut and Jobs Act of 2017 and removal of all prior adjustments due to accruals for joint projects;
- ii. NV Energy Transmission System Peak will be the Nevada Power Company system peak, the amount reported on FERC Form No. 1 page 400 column (b) for each applicable year. For the avoidance of doubt, NV Energy Transmission System Peak will not include load on the Sierra Pacific Company system;

- iii. Overton's System Peak will come directly from Overton's meter data for each applicable calendar year of service ("Rate Year");
 - iv. For each whole or partial Rate Year that Overton takes service under Transition Period I, NV Energy will continue to charge a Monthly Rate based on projections derived from historical costs, which will be trued up after the conclusion of each Rate Year, as set out in the Tri-Party Agreement, as amended by the TPA Amendment; and
 - v. For avoidance of doubt, during Transition Period I, NV Energy will continue to invoice Overton on a monthly basis for service as set out in the Tri-Party Agreement, including all rights that Overton may have to use any portion of the 45 MW of Lincoln's transmission service rights assigned to Overton in any month.
- c. For the True-Up of the 2018 Rate Year which will occur in 2019 once Overton System Peak and NV Energy's Transmission System Peak are known, NV Energy will apply Credits as set out in Section 2(b), above, to the trued up Monthly Rate in the amount of \$35,000/month.
- d. For the 2018 Rate Year, NV Energy will charge Overton for reactive power at \$50/MW-mo times Monthly Network Load and will gross up the meter reads to assess 2% for losses.
- e. For service commencing as of January 1, 2019 and based on the application of the same Transition Period I Rate determined above, Overton will use the Credits to offset transmission service Monthly Rate charges in the amount of \$35,000 per month until all Credits are used. Overton may modify its use of Credits for the subsequent rate years by providing notice to NV Energy no later than September 1 of the prior year, e.g., September 1, 2019 for a change in credits effective January 1, 2020, such that NV Energy may appropriately budget for any such change in revenues. The transmission bill will be credited until OATT service commences or when the Credits are fully expended, whichever is earlier.
- f. For service commencing as of January 1, 2019 or such effective date established for the TPA Amendment by FERC and continuing through the end of Transition Period I, NV Energy will charge for or require that Overton purchase or provide the following Ancillary Services and Losses:
 - Schedule 1.
 - Schedule 2.
 - Schedule 1-A/Schedule 4/Schedule 9/Attachment P – per Energy Imbalance Market ("EIM") requirements of NV Energy Tariff for all imbalance settlement associated with Overton schedules (e.g., as if an OATT customer). EIM uplifts under Schedule 1-A and Attachment P are charges

billed to NV Energy that are then allocated to all customers by their Measured Demand (% usage of the Transmission System, as defined in the NV Energy OATT). With respect to any uplifts, Overton would receive a credit when the NV Energy Balancing Authority Area (“BAA”) gets the imbalance credit from the California Independent System Operation (“CAISO”), and Overton would be charged an imbalance charge when the NV Energy BAA gets the imbalance charge from CAISO based on the ratio of their Measured Demand to the overall BAA measured demand. Schedule 4 and 9, imbalances (either payments or charges) would be based on Overton’s schedules and the applicable locational marginal prices (“LMPs”).

- Overton’s Monthly Network Load, Measured Demand and NV Energy’s Monthly Transmission System Load will be calculated the same way that it is calculated under the NV Energy OATT.
 - Overton will be entitled to self-supply where permitted by the NV Energy OATT. Unless given written notification to modify its request, Overton will be self-providing Schedules 3 and 10. If NV Energy does not receive a monthly tag for Schedule 10 from Overton, NV Energy will assume the election for self-providing losses has been modified and will bill Overton for losses.
 - Overton will coordinate with its Scheduling Coordinator to ensure that they create a separate tag for losses to pay NV Energy back in kind for losses. For metering purposes and to ensure that Overton is isolated from any ancillary service responsibility associated with load that is not its own, NV Energy will use the ICCP link it set up with Lincoln last year to receive live meter data from Lincoln. NV Energy is currently receiving meter data for Mesa, Sheep Mtn, and the Lincoln portion of the load at Tortoise. NV Energy will apply an algorithm to the Overton (totalizer) meter at Tortoise will minimize the EIM risk associated with Lincoln for Overton. NV Energy has data from the Q1000 meter at Tortoise. In the algorithm NV Energy would use the Q1000 meter and subtract the Lincoln meters at Tortoise, Mesa, and Sheep Mountain. NV Energy will also apply Overton’s meter at MX Well. NV Energy will compare the schedule to the meter data which would have the algorithm in place to subtract the meters that are for Lincoln for purposes of billing and imbalance calculations.
- g. The Settling Parties agree that, at NV Energy’s option, it may contribute up to \$300,000 toward Overton’s terminal upgrades at the Tortoise substation, as provided in Section 5 below, by providing notice to Overton no later than May 1, 2019, which will serve as a further reduction to the balance of Credits, if such credits are available.

Section 4. Charges under the Tri-Party Agreement for Transition Period II.

- a. Notwithstanding anything to the contrary in the Tri-Party Agreement, for Transition Period II, Overton shall take transmission service and all applicable Ancillary Services on the same non-discriminatory terms provided to and required of customers under the NV Energy OATT, and at the prevailing rates under the OATT in the same manner as if Overton were taking service under an OATT NITSA, except as provided in Section 4(b). Any change in terms and conditions or rates under the NV Energy OATT shall apply to service to Overton under the Tri-Party Agreement during Transition Period II.
- b. During Transition Period II, NV Energy will (i) permit Overton to use any remaining Credits from Transition Period I, applied in equal increments each month over two (2) years of service; and (ii) credit Overton's transmission charges in the following amounts decreasing over Transition Period II: 20 megawatts for the first calendar year of Transition Period II; 15 megawatts for the second calendar year of Transition Period II; 10 megawatts for the third calendar year of Transition Period II; 5 megawatts for the fourth calendar year of Transition Period II.
- c. Notwithstanding the current terms of the Tri-Party Agreement and for avoidance of doubt, the TPA Amendment will provide that during Transition Period II, Overton will have no rights to utilize the 45 MW of Lincoln's transmission service rights assigned to Overton in any month.

Section 5. Construction of the New 230 kV Transmission Line. NV Energy will use best efforts to construct the New Reid Gardner-Tortoise 230 kV Line to ensure NV Energy can provide reliable transmission service to Overton. NV Energy will construct a new terminal at Reid Gardner Substation to terminate the New Reid Gardner-Tortoise 230 kV Line and approximately 2.3 miles of 230 kV line to a location just outside of Tortoise Substation, the precise location of which is to be mutually agreed to. Overton will construct the continuation of the line and build a new terminal at Tortoise Substation to terminate the New Reid Gardner-Tortoise Line. NV Energy agrees to include the New Reid Gardner-Tortoise Line in its Integrated Resource Plan submittal to the Public Utilities Commission of Nevada ("PUCN") in April 2019.

Section 6. Moratorium. The Settling Parties agree that the TPA Amendment will include a moratorium with respect to any additional further changes by the Settling Parties (or any affiliates of the Settling Parties) under the Tri-Party Agreement affecting service to Overton for the life of the Transition Period, except as provided in this Section 6. If: (a) the PUCN does not approve the New Reid Gardner-Tortoise Line in the 2019 Integrated Resource Plan process or (b) the New Reid Gardner-Tortoise Line is not placed in service three (3) years after final approval through the Integrated Resource Plan process, then both NV Energy's Federal Power Act Section 205 rights and Overton's Federal Power Act Section 206 rights as to the Tri-Party Agreement will be reinstated. The moratorium does not extend to Overton's right to participate in proceedings involving changes to the rates, terms and conditions of the NV Energy OATT that may directly or indirectly affect Overton during Transition Period II or thereafter.

Section 7. General Provisions. The Settling Parties also agree to the following provisions.

- a. Effectiveness. The execution of this Settlement Agreement by the Settling Parties constitutes their agreement to the terms and provisions herein and their agreement that they shall not withdraw from the Settlement Agreement except under the express terms set out herein.
- b. Successors and Assigns. This Settlement Agreement is binding upon and for the benefit of the Settling Parties and their successors and assigns.
- c. Further Assurances. Each Party shall, and shall cause its relevant affiliates (as applicable) to, from time to time, take all such further actions, and execute and deliver all such further instruments or documents, as the other Party may reasonably request to carry out and fulfill the transactions contemplated by this Settlement Agreement, including any necessary regulatory filings to implement this Settlement Agreement.
- d. Entire Agreement and Privileged and Confidential Treatment. This Settlement Agreement supersedes all prior discussions and agreements between the Settling Parties with respect to the subject matter hereof, and contains the sole and entire agreement between the Settling Parties with respect to the subject matter hereof. As to any inconsistency between this Settlement Agreement and the TPA Amendment, the TPA Amendment will govern. All communications and documents leading up to the execution of this Settlement Agreement are deemed privileged and confidential by the Settling Parties under applicable law.
- e. Amendment. This Settlement Agreement may be amended, supplemented or modified only by a written instrument duly executed by or on behalf of each Party.
- f. Recitals. The above Recitals are true and correct and hereby incorporated into this Settlement Agreement by reference.
- g. No Third-Party Beneficiary. The terms and provisions of this Settlement Agreement are intended solely for the benefit of each Settling Party and their respective successors or permitted assigns, and it is not the intention of the Settling Parties to confer third-party beneficiary rights upon any other person or entity.
- h. Headings. The headings used in this Settlement Agreement have been inserted for convenience of reference only and do not define or limit the provisions hereof.
- i. Expenses. Each Settling Party shall bear its own expenses (including attorneys' fees) incurred in connection with the preparation, negotiation, execution, filing and performance of this Settlement Agreement.
- j. Governing Law. THIS SETTLEMENT AGREEMENT SHALL BE GOVERNED BY, AND CONSTRUED, INTERPRETED AND ENFORCED IN ACCORDANCE WITH, THE SUBSTANTIVE LAW OF THE STATE OF

NEVADA WITHOUT REFERENCE TO ANY PRINCIPLES OF CONFLICTS OF LAWS THEREOF THAT REQUIRE THE APPLICATION OF THE LAWS OF ANOTHER JURISDICTION.

- k. Waiver of Trial by Jury. TO THE FULLEST EXTENT PERMITTED BY LAW, EACH OF THE SETTLING PARTIES WAIVES ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN RESPECT OF LITIGATION DIRECTLY OR INDIRECTLY ARISING OUT OF, UNDER OR IN CONNECTION WITH THIS FRAMEWORK AGREEMENT. EACH PARTY FURTHER WAIVES ANY RIGHT TO CONSOLIDATE ANY ACTION IN WHICH A JURY TRIAL HAS BEEN WAIVED WITH ANY OTHER ACTION IN WHICH A JURY TRIAL CANNOT BE OR HAS NOT BEEN WAIVED.
- l. Counterparts. This Settlement Agreement may be executed in counterparts, each of which will be deemed an original and all of which taken together will constitute one and the same instrument.

[Signature page follows.]

IN WITNESS WHEREOF, the Settling Parties have caused this Settlement Agreement to be executed by their respective duly authorized representatives as of the date first written above.

Nevada Power Company d/b/a NV Energy

By: 
Name: Douglas A. Cannon
Title: President and CEO

Overton Power District No. 5,
a Nevada quasi-municipal special improvement
district

By: 
Name: Mendis Cooper
Title: General Manager

TARIFF COVER PAGE

A. Tariff Submitter: Nevada Power Company

B. FERC Tariff program Name: FERC FPA Electric Tariff

C. Tariff Title: Rate Schedule No. 51

D. Tariff Record Proposed Effective Date: May 11, 2019

E. Tariff Record Title: Rate Schedule No. 51

F. Option Code: N/A

G. Other Information as the FERC may require by notice or order: N/A

Nevada Power Company Rate Schedule No. 51

AGREEMENT FOR TRANSMISSION SERVICE AMONG NEVADA POWER COMPANY AND OVERTON POWER DISTRICT NO. 5 AND LINCOLN COUNTY POWER DISTRICT NO.1

ETariff Information

Tariff Submitter: Nevada Power Company

FERC Tariff Program Name: FERC FPA Electric Tariff

Tariff Title: Nevada Power Company - NPC Database

Tariff Record Proposed Effective Date: May 11, 2019

Tariff Record Title: Nevada Power Company Rate Schedule No. 51

Option Code: A

FERC NO. 51

**FEDERAL ENERGY
REGULATORY COMMISSION
WASHINGTON, D.C.**

ELECTRIC RATE SCHEDULE

FILING PARTY Nevada Power Co.
(supersedes FPC 6 + 7)

OTHER PARTY Overton Pwr. & Lincoln County

31
(Super BS 7-18)

Docket No.: *ELM-546-000*Company: *NPC*FERC El. Rate Sch. No.: *57*Filing Date: *7-11-89*Effective Date: *3-1-89*

AGREEMENT
FOR TRANSMISSION SERVICE

AMONG

NEVADA POWER COMPANY

AND

OVERTON POWER DISTRICT NO. 5

AND

LINCOLN COUNTY POWER DISTRICT NO. 1

FEDERAL ENERGY
REGULATORY COMMISSION
PUBLIC REFERENCE ROOM

89 JUL 11 PM 2:18

TABLE OF CONTENTS

<u>Sections</u>	<u>Title</u>	<u>Page</u>
1	PARTIES.....	1
2	RECITALS.....	1
3	AGREEMENT.....	2
4	TERM.....	2
5	TRANSMISSION SERVICE.....	3
6	LINCOLN COUNTY LINE 69 KV TRANSMISSION LINE.....	5
7	INTERCONNECTION.....	10
8	BILLING AND PAYMENT.....	10
9	RESERVE OBLIGATIONS.....	11
10	SPINNING RESERVE OBLIGATIONS.....	12
11	COORDINATING COMMITTEE.....	12
12	UNCONTROLLABLE FORCES.....	13
13	NOTICES.....	14
14	LIABILITY.....	15
15	GENERAL CONTRACT PROVISIONS.....	15
16	EXECUTION.....	18
	EXHIBIT A	A-1
	EXHIBIT B	B-1

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26

AGREEMENT
FOR TRANSMISSION SERVICE
AMONG
NEVADA POWER COMPANY
AND
OVERTON POWER DISTRICT NO. 5
AND
LINCOLN COUNTY POWER DISTRICT NO. 1

1. PARTIES: This Agreement is entered into as of the first day of March, 1989 between NEVADA POWER COMPANY, a Nevada Corporation (Nevada) and the OVERTON POWER DISTRICT NO. 5, a Nevada municipal corporation (Overton), and the LINCOLN COUNTY POWER DISTRICT NO. 1, a Nevada municipal corporation (Lincoln), sometimes individually referred to as Party, or collectively as Parties.
2. RECITALS: This Agreement is made with reference to the following facts:
- 2.1 Nevada maintains, in addition to its other transmission interconnections, transmission interconnections with the United States Western Area Power Administration (Western) at Western's Mead Substation and at the Clark Tie near Western's Basic Substation.
- 2.2 Overton and Lincoln are presently interconnected with Nevada at Nevada's Reid Gardner Generating Station 230 KV Switchyard (Interconnection Point).
- 2.3 Under a June 16, 1967 wheeling agreement which terminated May 31, 1987, Nevada agreed, among other things, to wheel power and energy available to Overton from the facilities of the United States either directly or by displacement to the Interconnection Point.

1 2.4 Under the October 18, 1967 wheeling agreement which was subject to
2 termination on May 31, 1987, Nevada agreed, among other things, to
3 wheel power and energy available to Lincoln from the facilities of
4 the United States either directly or by displacement to the Inter-
5 connection Point. Said agreement established certain terms and
6 provisions for use by Nevada of Lincoln's 69 kV transmission line
7 known as the Las Vegas No. 3 Line. Said agreement has been con-
8 tinued until the effective date of this Agreement.

9 2.5 Lincoln and Overton each desire to contract with Nevada for trans-
10 mission service for power from Mead Substation 230 kV and the
11 Clark Tie to the 230 kV facilities at the Interconnection Point or
12 such other interconnection points as the Parties hereto may sub-
13 sequently agree.

14 2.6 Nevada is willing to continue to wheel power over its transmission
15 system for Lincoln and Overton.

16 3. AGREEMENT: The Parties agree as follows:

17 4. TERM:

18 4.1 This Agreement shall become effective as of the date first written
19 above and shall remain in effect for Lincoln until Lincoln's State
20 allocation of federal power is terminated, and for Overton until
21 Overton's State allocation of federal power is terminated.

22 4.2 Nevada shall request the Federal Energy Regulatory Commission
23 (FERC) to accept this Agreement for filing. Lincoln and Overton
24 shall support such filing by filing with the FERC a letter or other
25 notification of concurrence if requested to do so by either Nevada
26 or the FERC. *

1 4.3 If, after filing this Agreement, the FERC orders any material
2 changes or modifications of this Agreement which are unacceptable
3 to any of the Parties, this Agreement shall become void as of the
4 effective date of such order, and all obligations except the obli-
5 gation to pay for transmission service received prior to such
6 effective date shall terminate thereafter.

7 5. TRANSMISSION SERVICE:

8 5.1 As of June 1, 1987, Lincoln and Overton received firm allocations
9 of power from Western through contracts with the State of Nevada.
10 Nevada shall receive such power at the Mead Substation 230 kV bus
11 or the Clark Tie Point, and deliver such power less losses to the
12 Interconnection Point.

13 5.2 From time to time, Lincoln and Overton will receive additional
14 allocations of federal power or firm power from other sources to
15 meet their electrical load. In accordance with procedures estab-
16 lished by the Coordinating Committee to provide timely notice of
17 new resources, Lincoln and Overton shall notify Nevada of such
18 other resource(s) and Nevada shall schedule and receive such power
19 at the Mead Substation 230 kV bus or the Clark Tie Point, and
20 deliver such power less losses to the Interconnection Point.
21 Other additional points of delivery may be established among the
22 Parties.

23 5.3 Nevada shall have the right to temporarily suspend the delivery of
24 electric power hereunder for the purpose of making repairs or
25 improvements to its system. Nevada shall, except in cases of
26 emergency, attempt to give Lincoln and Overton reasonable advance

1 notice of any temporary interruptions or reductions, and shall
2 diligently attempt to remove the cause thereof.

3 5.4 Due to the limitations of Lincoln's and Overton's existing facili-
4 ties at the Interconnection Point, the combined power deliveries
5 of Lincoln and Overton under Sections 5.1 and 5.2 shall not exceed
6 seventy (70) megawatts without additional agreement among the
7 Parties.

8 5.5 Should Lincoln's or Overton's supplier or suppliers fail to
9 deliver scheduled power or fail to schedule power for delivery to
10 Lincoln or Overton, Nevada shall not be responsible for or obli-
11 gated to provide any power to Lincoln or Overton under this
12 Agreement.

13 5.6 Except as provided in Section 6.8.3, Lincoln and Overton shall be
14 responsible for all costs associated with the delivery of power to
15 the Interconnection Point(s).

16 5.7 From time to time during the term of this Agreement, Western and
17 the State of Nevada will publish Lincoln's and Overton's obliga-
18 tions and requirements for scheduling their federal and Colorado
19 River Commission of the State of Nevada (CRC) power allocations,
20 including reserve requirements, metering, relaying, etc. Such
21 obligations, including all costs associated therewith, resulting
22 therefrom shall be the sole responsibility of Lincoln and Overton
23 and not an obligation of Nevada.

24 5.8 Lincoln and Overton shall continue to be responsible for all costs
25 associated with the operation, maintenance, replacement or impro-
26 vement of their equipment at Reid Gardner Station. Presently,

1 such equipment consists of three 22.4 MVA, 230 kV to 69 kV trans-
2 formers, two 69 kV circuit breakers; one 230 kV protective switch,
3 busses, disconnects, relaying and metering; and other related
4 equipment plus two 69 kV line connections to the present Lincoln
5 and Overton 69 kV lines. All existing and new planned facilities
6 and equipment are shown in Exhibit B attached.

7 5.9 For the term of this Agreement, Nevada shall continue to provide
8 the necessary easements to Lincoln and Overton for the installa-
9 tion, operation, maintenance and ownership of the aforementioned
10 substation and 69 kV lines at existing locations on the property
11 owned by Nevada.

12 5.10 Except as provided in Section 6.8.3, Lincoln and Overton shall
13 each pay Nevada a monthly transmission charge as calculated in
14 accordance with Exhibit A. Losses for the capacity and energy
15 wheeled shall be determined by the Coordinating Committee pursuant
16 to Section 11.2. In addition, Lincoln and Overton shall each
17 reimburse Nevada for any expenses, costs, losses or other charges
18 which Nevada may incur on their behalf from Western or other enti-
19 ties relating to the delivery or acceptance of power for their
20 respective systems.

21 6. LINCOLN COUNTY LINE 69 kV TRANSMISSION LINE

22 6.1 Lincoln does hereby transfer and convey to Nevada the 69 kV trans-
23 mission line known as the Las Vegas No. 3 line including all
24 equipment and facilities between Hoover Power Plant and the Sheep
25 Mountain Switch. For the purpose of this Agreement, the term
26 equipment and facilities shall include but is not limited to, the

1 poles, towers, conductors, and related hardware. It is agreed and
2 acknowledged by the Parties, that the Sheep Mountain Switches are
3 not included in said transfer and conveyance and shall remain the
4 property of Lincoln.

5 6.2 Lincoln does hereby grant and convey to Nevada such easements on
6 Lincoln's fee titled land and its land acquired by condemnation as
7 are necessary for the Las Vegas No. 3 line and does hereby assign
8 to Nevada all of Lincoln's rights under its federal grants of
9 rights-of-way and does assign to Nevada its rights under any other
10 easement appurtenant to and necessary for the Las Vegas No. 3
11 line, so long as a line remains on the easements and rights-of-way
12 herein granted and/or assigned. Any and all assignments required
13 by this section are subject to any restrictions or conditions con-
14 tained in the federal grant or in any grant of easement to
15 Lincoln, and Nevada agrees to take such assignments subject
16 thereto.

17 6.3 Lincoln and Nevada hereby agree to execute and deliver, or cause
18 to be executed and delivered, such instruments as are necessary
19 and proper so that all rights, titles, and interests in and to
20 that portion of the Las Vegas No. 3 line identified in Section
21 6.1, and the easements and rights-of-way identified in Section 6.2
22 will vest in Nevada and such instruments as are necessary and
23 proper so that Lincoln may assign the use of its easements and
24 rights-of-way to Nevada.

25 6.4 By this Agreement, Lincoln does not assign any right or interest
26 in the Las Vegas No. 3 line which it does not itself hold as of

1 the effective date of this Agreement.

2 6.5 Lincoln shall deliver to Nevada: (a) a bill of sale, assignments,
3 grants of easement and other instruments of transfer which are, in
4 the opinion of counsel for Nevada, necessary or advisable to
5 effect the transfer and create and assign the necessary easements
6 and rights-of-way as described in Section 6.2; (b) on or before
7 November 1, 1989, if not previously delivered, the documents
8 required by this Agreement and, (c) such other documents and evi-
9 dence as counsel for Nevada or Lincoln, as the case may be, shall
10 reasonably request as required under this Section 6 including
11 approval from Rural Electrification Administration satisfactory to
12 both Parties.

13 6.6 Lincoln shall not grant any interest, or use the lands identified
14 in Section 6.2, so as to interfere with the use by Nevada or be
15 inconsistent with the interests granted to Nevada herein. Fur-
16 ther, Lincoln shall preserve such land rights in good condition
17 by the timely payment of all taxes, assessments, etc on such
18 lands.

19 6.7 Each Party shall represent and warrant to the other Party that:

20 6.7.1 Its Board of Directors has duly authorized this
21 Agreement and the transactions contemplated herein.

22 6.7.2 The transactions contemplated by this Agreement will not
23 result in the breach of or constitute a default under
24 any indenture, mortgage, note agreement, or other
25 instrument or agreement to which such Party is a party
26 or to which such Party or its property is subject, nor

1 will it conflict with any provision of the charter or
2 bylaws, or any license, certificate, permit or franchise
3 of any public authority. The Parties further agree,
4 that any restrictions or conditions on the easements or
5 federal grants of right-of-way assigned by Lincoln to
6 Nevada, pursuant to Section 6.2 and to which Nevada
7 takes subject thereto, shall not be considered a breach
8 or default.

9 6.8 Nevada in return for such assignment, transfer and conveyance
10 shall:

11 6.8.1 Install at its cost the equipment identified in Exhibit
12 B including the necessary appurtenants to such equip-
13 ment. Nevada shall install such facilities in accor-
14 dance with its normal design and construction practices,
15 and such design and construction shall be coordinated
16 with Lincoln and Overton. Nevada shall have the right
17 to install used 69 kV circuit breakers as long as such
18 circuit breakers meet or exceed the design requirements
19 of the substation. Upon the in-service date of the
20 facilities installed pursuant to this Section, the
21 ownership of the 230 kV equipment including the 230 kV
22 disconnect switches for the transformers will vest with
23 Nevada, and the ownership of the 69 kV equipment and the
24 connections from the transformers to the 230 kV discon-
25 nect switches will vest with Lincoln and Overton.

26 6.8.2 Operate and maintain at its expense the 230 kV equipment
at the Reid Gardner Switchyard in accordance with pru-

1 dent utility practices and procedures. Such 230 kV
2 equipment shall include the 230 kV disconnect switches
3 installed pursuant to Section 6.8.1. Lincoln and
4 Overton shall be responsible for the operation, main-
5 tenance and future capital improvements of the 69 kV
6 equipment including the 230/69kV transformers in accor-
7 dance with prudent utility practices and procedures.
8 Such 69 kV equipment shall include the 69 kV circuit
9 breakers and 69 kV disconnect switches installed pur-
10 suant to Section 6.8.1.

11 6.8.3 Provide to Lincoln during the term of this Agreement 45
12 MW of transmission service between Mead Substation 230
13 kV bus and Reid Gardner 230 kV bus without the service
14 charge but subject to losses. In the event that Lincoln
15 cannot or does not utilize the full 45 MW, Lincoln can,
16 at its option, assign such unused portion to Overton.
17 Lincoln shall provide written notice of such assignment
18 or assignments.

19 6.8.4 Maintain a 69 kV interconnection at least equal to the
20 existing line capacity as a backup for delivery to
21 Lincoln and Overton at Sheep Mountain Switch.

22 6.9 In the event of an outage on the Hoover to Sheep Mountain Switch
23 portion of the Las Vegas No. 3 transmission line, Lincoln and
24 Overton agree to wheel power to Nevada at the Sheep Mountain
25 Switch to the extent that capacity is available on Lincoln and
26 Overton 69 kV facilities. Such wheeling service shall be at no
 cost to Nevada except for losses.

1 7. INTERCONNECTION:

2 7.1 The Parties shall execute an interconnection agreement which shall
3 among other things, establish arrangements for economy and emer-
4 gency transactions and coordinate required relaying, metering and
5 physical interconnection practices consistent with prudent utility
6 practice.

7 7.2 Lincoln and Overton each may be required to install or cause to be
8 installed, at its own expense, equipment and communication facili-
9 ties as required to provide Nevada with the necessary data and
10 information to perform scheduling in accordance with Western and
11 State of Nevada requirements.

12 8. BILLING AND PAYMENT:

13 8.1 Subject to the provisions of paragraph 6.8.3, Lincoln and Overton
14 shall each pay Nevada for transmission service costs in accordance
15 with the methodology for calculating such cost established in
16 Exhibit A.

17 8.2 Nevada shall have the right to unilaterally apply to FERC for a
18 change of rates under Section 205 of the Federal Power Act and
19 pursuant to the FERC rules and regulations promulgated there-
20 under.

21 8.3 Nevada shall bill Lincoln and Overton monthly for their respective
22 costs established in Section 8.1 and any other costs incurred
23 under this Agreement in a form satisfactory to the Parties.
24 Lincoln and Overton shall each pay their respective bills within
25 twenty (20) days of receipt. Amounts not paid on or before the
26 due date shall be payable with interest accrued at the rate of one

1 percent (1%) per month from the due date to the date of payment.

2 8.3.1 In the event any portion of any bill is in dispute, the
3 entire amount shall be paid when due and notice shall be
4 given that the disputed amount is being paid under pro-
5 test. If the protested portion of the payment is found
6 to be incorrect, it shall be refunded, including
7 interest calculated at the rate of one percent (1%) per
8 month prorated from the date of payment to the date of
9 refund.

10 8.4 Lincoln and Overton shall have the right to conduct an audit, no
11 more than once each year, of Nevada's records necessary to confirm
12 the costs incurred by Lincoln and Overton under this Agreement.
13 Such audit shall be at a place and time agreed upon by the Parties
14 and all direct costs associated with the audit shall be Overton's
15 and Lincoln's responsibility.

16 9. RESERVE OBLIGATIONS:

17 9.1 Each Party shall provide, or cause to be provided, an actual
18 planned reserve margin of at least fifteen percent (15%) of its
19 peak demand for each month of each calendar year. That portion of
20 its peak demand met by a firm federal hydroelectric resource,
21 shall be subtracted from the peak demand for the purpose of calcu-
22 lating planned reserve.

23 9.2 On or before November 1 of each calendar year, each Party shall
24 submit to the other Parties a program, prepared on a monthly
25 basis, of its system:

26 9.2.1 Peak demands, existing capacity resources and actual

reserve margins for the present and preceding calendar years,

9.2.2 Estimated peak demands, existing capacity resources, planned capacity resources, and forecast reserve margins for the next three (3) consecutive calendar years,

9.2.3 Estimated schedules of capacity and energy for the next calendar year.

10. SPINNING RESERVE OBLIGATIONS:

10.1 Each Party shall provide or cause to be provided its own spinning reserve capacity as set forth in Section 10.2.

10.2 Subject to Section 10.1, Nevada shall schedule and dispatch resources into the control area to maintain a minimum amount of spinning reserve capacity equal to the larger of:

10.2.1 Seven percent (7%) of the control area demand for the then-current clock-hour; or

10.2.2 The existing capacity resources associated with the largest single contingency loss of generation due to the loss of any single synchronized generation unit or single transmission line on or serving the control area.

11. COORDINATING COMMITTEE:

11.1 In order to provide liaison and effective coordination and cooperation regarding the interconnection of the Parties and the scheduling of power, each Party shall appoint an authorized representative to the Coordinating Committee. The Coordinating

1 Committee shall meet to resolve issues which may arise from time
2 to time. The Coordinating Committee shall not modify any terms or
3 provisions of this Agreement.

4 11.2 The Coordinating Committee shall from time to time establish
5 losses for capacity and energy delivered at the Interconnection
6 Point but such losses shall be no less than two percent (2%) nor
7 greater than five percent (5%).

8 12. UNCONTROLLABLE FORCES:

9 12.1 No liability whatsoever shall attach to Nevada for any failure,
10 interruption, or irregularity in the delivery of electric power,
11 and service under this Agreement due to acts of God, or any other
12 cause whatsoever, except where Nevada, through its own willful
13 action, fails to exercise reasonable diligence in providing such
14 power or service. Nevada shall have the right to temporarily
15 suspend the delivery of electric power hereunder for the purpose
16 of making repairs or improvements to its systems. Nevada shall,
17 except in cases of emergency, attempt to give the other Parties
18 reasonable advance notice of any temporary interruptions or reduc-
19 tions, and shall attempt to diligently remove the cause thereof.

20 12.2 In the event that Lincoln and Overton are delivering power over
21 their systems to the Sheep Mountain Switch for Nevada, then no
22 liability whatsoever shall attach to Lincoln or Overton for any
23 failure, interruption, or irregularity in the delivery of electric
24 power, and service under this Agreement due to acts of God, or any
25 other cause whatsoever, except where either Lincoln or Overton,
26 through its own willful action, fails to exercise reasonable dili-

1 gence in providing such power or service. Lincoln or Overton
 2 shall have the right to temporarily suspend the delivery of
 3 electric power hereunder for the purpose of making repairs or
 4 improvements to its systems. Lincoln and Overton shall, except in
 5 cases of emergency, attempt to give the other Parties reasonable
 6 advance notice of any temporary interruptions or reductions, and
 7 shall attempt to diligently remove the cause thereof.

8 **13. NOTICES:**

9 13.1 Any notice, demand or request, served, given or made, shall be
 10 delivered in person or sent by registered or certified mail,
 11 postage prepaid, to the persons specified below:

12 13.1.1 Nevada Power Company

13 c/o Secretary

14 P. O. Box 230

15 Las Vegas, Nevada 89151

16 13.1.2 Overton Power District No. 5

17 c/o Manager

18 P. O. Box 395

19 Overton, Nevada 89040

20 13.1.3 Lincoln County Power District No. 1

21 c/o Manager

22 P. O. Box 101

23 Pioche, Nevada 89043

1 **14. LIABILITY:**

2 14.1 No Party, its Directors, members of its governing bodies, Officers
3 or employees shall be liable to another Party for any loss or
4 damage to property, loss of earnings or revenues, personal injury,
5 or any other direct, indirect or consequential damages or injury
6 which may occur or result from the performance or non-performance
7 of a Party under this Agreement, including any negligence arising
8 hereunder, unless actions or claims and resulting liability,
9 judgments and costs were caused by or resulted from an action
10 taken or not taken by a Party at the direction of its Directors,
11 members of its governing bodies, or Officers, which is knowingly
12 or intentionally taken or not taken with conscious indifference to
13 the consequences thereof, or with intent that injury or damage
14 would result or would probably result therefrom.

15 **15. GENERAL CONTRACT PROVISIONS:**

16 15.1 WAIVERS. A waiver at any time by a Party of its rights with
17 respect to a default under this Agreement, or with respect to any
18 other matter arising in connection with this Agreement, shall not
19 be deemed a waiver with respect to any subsequent default or
20 matter. No delay, short of the statutory period of limitations in
21 asserting or enforcing any right hereunder shall be deemed a
22 waiver of such right.

23 15.2 ATTORNEYS' FEES. The Parties hereto further acknowledge in the
24 event either of the Parties to this Agreement are required to seek
25 judicial enforcement or arbitration of the rights to which they
26 are entitled pursuant to this Agreement or otherwise, the pre-

1 vailing Party in such litigation or arbitration shall be entitled
2 to an award of attorneys' fees and all costs associated with said
3 proceedings. The same shall apply to any appeal.

4 15.3 ENTIRE AGREEMENT. This Transmission Service Agreement, any docu-
5 ments which have been incorporated by reference herein and all
6 attachments constitute the complete Agreement concerning the
7 arrangement between the Parties and shall, as of the effective
8 date hereof, supersede all other transmission wheeling agreements
9 between the Parties, be they prior or contemporaneous, or oral.

10 15.4 AMENDMENT. This Agreement may be amended only by a written amend-
11 ment signed by the Parties hereto.

12 15.5 SEVERABILITY. All agreements and covenants, including all
13 paragraphs, sentences and clauses contained herein, are severable.
14 In the event any of them shall be held to be invalid by any com-
15 petent court, this Agreement shall be interpreted as if such in-
16 valid agreements or covenants were not contained herein.

17 15.6 NEVADA LAW. This Agreement shall be governed by the laws of the
18 State of Nevada.

19 15.7 ARBITRATION. The Parties agree that any controversy or claim
20 arising out of or relating to this Agreement, or the breach
21 thereof, shall be settled by arbitration in accordance with the
22 applicable arbitration rules of the State of Nevada Arbitration
23 Association or the American Arbitration Association, and judgment
24 upon the award rendered by the arbitrator(s) may be entered in any
25 court having jurisdiction thereof.

26 15.8 FURTHER ACTS. All Parties hereto shall perform any further acts,

1 assign and deliver any further documents and offer full coopera-
2 tion as may be reasonably necessary to carry out the provisions of
3 this Agreement.

4 15.9 AUTHORITY. The Parties hereto warranty and represent that all
5 necessary authorization for this Agreement has been obtained, and
6 that the signators hereto have been duly authorized to execute
7 same. Furthermore, Nevada Power Company, Overton Power District
8 No. 5, and Lincoln County Power District No. 1 warrant and repre-
9 sent that they are a Nevada corporation and two Nevada municipal
10 corporations, respectively, in good standing, with all the
11 necessary corporate powers to enter into this Agreement, and that
12 this Agreement will not violate any applicable Articles of
13 Incorporation, By-laws, Certificates of Charter, and/or any rules,
14 regulations and statutes.

15 /
16 /
17 /
18 /
19 /
20 /
21 /
22 /
23 /
24 /
25 /
26 /

IN WITNESS WHEREOF, the Parties hereto have caused this Agreement to be executed as of the date first written above:

NEVADA POWER COMPANY

By Frank K. Linder
Vice President
Resource Planning & Power Dispatch

ATTEST:

OVERTON POWER DISTRICT NO. 5

By Curtis B. Waite
Curtis B. Waite
Sec. of Bd. of Directors

By James C. Payne
James C. Payne
Pres. of Bd. of Directors

ATTEST:

LINCOLN COUNTY POWER DISTRICT NO. 1

By William F. Lynch
William F. Lynch - Secretary

By William R. Orr
William R. Orr - President

19 /
20 /
21 /
22 /
23 /
24 /
25 /
26 /

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26

TRANSMISSION SERVICE AGREEMENT

EXHIBIT A

METHODOLOGY FOR CALCULATING THE
COSTS FOR TRANSMISSION SERVICE

TRANSMISSION SERVICE AGREEMENT

EXHIBIT A

Docket No.: *ER19-546-000*
 Company: *NPC*
 FERC El. Rate Sch. No.: *51*
 Supp. No.: *1*
 Filing Date: *7-11-89*
 Effective Date: *3-1-89*

1. Subject to Section 6.8.2, the Monthly Transmission Service charge to be paid by Contractor (either Lincoln or Overton, as applicable) to Nevada shall be calculated by the formula:

$$A = \frac{BC}{12(C+D)}$$

Where,

A = Monthly Transmission Service Charge

B = Transmission Costs (Item 3.10)

C = Contractor's System Peak less amount of capacity sold to the Contractor by Nevada

D = Nevada's System Peak

2. Prior to May 15 of each year, Nevada shall furnish Lincoln the calculation of the Monthly Transmission Service Charge based upon Nevada's book costs for Items 3.1 and 3.2 as of December 31 of the prior year; the calculation of Item 3.3; Lincoln's Peak Demand for the prior year; and, Nevada's Peak Demand for the prior year. Monthly billings to Lincoln shall be based upon such calculations until revised the following year. Each year, beginning June 1989, the June bill will contain an adjustment, if any, to account for the difference between the previous year's and the most current year's system peak demands and transmission costs.

3. The Transmission Costs from Nevada's books and records shall be determined using the method set forth in this Item 3. All costs listed are for wholly-owned facilities of Nevada. The costs associated with jointly-owned facilities have been excluded.

3.1	Transmission Plant in Service (FERC Accounts 350-359)	<u>\$ 99,884,765</u>
3.2	Transmission Plant Reserve for Depreciation	<u>\$ 24,866,839</u>
3.3	Depreciated Transmission Plant in Service (Item 3.1 minus Item 3.2)	<u>\$ 75,017,926</u>
3.4	Nevada's rate of return including federal income taxes as calculated pursuant to Part 1	<u>13.71%</u>
3.5	Return on Investment (Item 3.4 times Item 3.3)	<u>\$ 10,284,958</u>
3.6	Transmission Operation and Maintenance Expenses	<u>\$ 2,996,787</u>
3.7	Transmission Depreciation Expenses	<u>\$ 2,014,211</u>
3.8	Real and Personal Property Tax as calculated pursuant to Part 2	<u>\$ 573,212</u>
3.9	Administrative and General Expense as calculated pursuant to Part 3	<u>\$ 1,217,681</u>
3.10	Transmission Costs (sum of Items 3.5, 3.6, 3.7, 3.8, and 3.9)	<u>\$ 17,086,849</u>

PART 1
CALCULATION OF NEVADA'S RATE OF RETURN

Nevada shall reserve the right to revise the following computation upon any material change in the data. Such revision shall be filed with the FERC pursuant to Section 205 of the Federal Power Act.

Weighted Cost of Capital As of May 31, 1989

Description (a)	Amount (b)	Ratio (c)	Cost (d)	Weighted Average (e)	FIT* 34/66 Total of Col. Col.(e) (e) +Col.(f)	
					(f)	(g)
Common Equity	\$343,591,744	44.00%	12.43%**	5.47%	2.82%	8.29%
Preferred Stock	42,520,566	5.00	7.55	.38	.20	.58
Long-Term Debt	379,028,319	49.00	9.54	4.67	--	4.67
Customer Deposits	<u>12,269,632</u>	<u>2.00</u>	8.25	<u>.17</u>	--	<u>.17</u>
Total	<u>\$777,410,261</u>	<u>100.00%</u>		<u>10.69%</u>	<u>3.02%</u>	<u>13.71%</u>

*Federal Income Tax

**The cost of Common Equity is the FERC generic rate effective at the date of filing.

PART 2
COMPUTATION OF PROPERTY TAXES
APPLICABLE TO MONTHLY TRANSMISSION SERVICE CHARGE

The following computation will be revised annually:

1. Total Plant @ 12/31/88	\$1,030,481,827
2. Held for Future Use	-0-
3. CWIP	40,035,344
4. Acquisition Adjustments	987,410
5. Materials & Supplies, including fuel	33,865,268
6. Reserve for Depreciation	(304,110,811)
Contributed Plant (Net of Depreciation)	<u>20,533,890</u>
7. Total	<u>\$ 821,792,928</u>
Less:	
8. Pollution Control Facilities @ 12/31/88	\$ 73,809,355
9. Nevada Net Licensed Vehicles @ 12/31/88	3,326,882
10. Arizona Net Plant @ 12/31/88	69,013,560
11. Utah Net Plant @ 12/31/88	1,407,971
12. Arizona M&S, including fuels @ 12/31/88	5,061,384
13. Utah CWIP @ 12/31/88	67,192
14. Arizona CWIP @ 12/31/88	<u>460,262</u>
15. Nevada Tax Base	<u>\$ 668,646,322</u>
	\$ 5,108,970
	$\frac{\$5,108,970}{\$668,646,322} = 0.7641\%$

$$\$ 75,017,926 \times 0.7641\% = \$ 573,212$$

PART 3
NEVADA ADMINISTRATIVE AND GENERAL EXPENSE
APPLICABLE TO MONTHLY TRANSMISSION SERVICE CHARGE

The following calculation will be revised annually:

Computation of Payroll Tax,
Benefits, Worker's Compensation,
and A&G Expense for 1988

Transmission Base Labor	\$ 1,729,802
Sick Leave, Vacation, & Holiday @ 13.5025%	<u>233,567</u>
Total	<u>\$ 1,963,369</u>
Payroll Taxes @ 7.53%	\$ 147,842
Benefits @ 16.04%	314,924
Worker's Compensation @ 1.25%	24,542
A&G @ 37.20%	<u>730,373</u>
Total	<u>\$ 1,217,681</u>

Docket No. **EL98-2666-000**
Company: **NPC**
FERC EL Rate SML No. **51**
Supp. No. **3**
Filing Date: **4-14-98**
Effective Date: **6-8-98**

**AGREEMENT
FOR
TRANSMISSION SERVICE**

AMENDMENT NO. 1

AMONG

NEVADA POWER COMPANY

AND

OVERTON POWER DISTRICT NO. 5

AND

LINCOLN COUNTY POWER DISTRICT NO. 1

AMENDMENT NO. 1

**AGREEMENT
FOR
TRANSMISSION SERVICE
AMONG
NEVADA POWER COMPANY
AND
OVERTON POWER DISTRICT NO. 5
AND
LINCOLN COUNTY POWER DISTRICT NO. 1**

TABLE OF CONTENTS

<u>Section</u>	<u>Title</u>	<u>Page</u>
1	PARTIES.....	1
2	RECITALS.....	1
3	AGREEMENT.....	2
4	TERM	2
5	MODIFICATION AND ADDITION TO TEXT OF ORIGINAL AGREEMENT	3
6	REVISION TO EXHIBIT B OF ORIGINAL AGREEMENT	5
7	AGREEMENT.....	5
8	AUTHORITY	5
9	EXECUTION	6
	EXHIBIT B, REVISION NO. 1	

August 15, 1997

AMENDMENT NO. 1
AGREEMENT
FOR
TRANSMISSION SERVICE
AMONG
NEVADA POWER COMPANY
AND
OVERTON POWER DISTRICT NO. 5
AND
LINCOLN COUNTY POWER DISTRICT NO. 1

1. **PARTIES:** This Amendment No. 1 (Amendment) is entered into as of the date entered in Section 9, (the Execution Date) by and between NEVADA POWER COMPANY (Nevada), a Nevada corporation, OVERTON POWER DISTRICT NO. 5 (Overton), a Nevada municipal corporation, and LINCOLN COUNTY POWER DISTRICT NO. 1 (Lincoln), a Nevada municipal corporation, sometimes individually referred to as Party, or collectively as Parties.
2. **RECITALS:** This Amendment is made with reference to the following facts, among others:
 - 2.1 Nevada is furnishing transmission service to Overton and Lincoln under the terms and conditions of an Agreement for Transmission Service dated March 1, 1989, hereinafter referred to as the "Agreement."
 - 2.2 Pursuant to the Agreement, Nevada agreed to install at Nevada's cost, certain 69 kV and 230 kV equipment at the Reid Gardner Switchyard.
 - 2.3 Lincoln and Overton desire to relocate the 230/69 kV substation at Reid Gardner to a new site called Tortoise Substation.
 - 2.4 In accordance with a Letter Agreement signed by the Parties dated April 11, 1994, the Parties agreed that Nevada will contribute \$170,000

toward relocation of the 230/69 kV substation from Reid Gardner to the Tortoise Substation.

2.5 Lincoln and Overton will construct a 2.2 mile 230 kV transmission line from Reid Gardner to the Tortoise substation and relocate or install certain 69 kV and 230 kV equipment at the Tortoise Substation.

3. AGREEMENT: The Parties agree as follows:

4. TERMS:

4.1 This Amendment is effective as of the Execution Date and shall remain in full force and effect concurrently with the Agreement.

4.2 Nevada shall request the Federal Energy Regulatory Commission (FERC) to accept this Amendment for filing. Lincoln and Overton shall support such filing by filing with FERC a letter or other notification of concurrence if requested to do so by either Nevada or FERC.

4.3 After this Amendment has been filed, if FERC or the Rural Electrification Association orders any material changes or modifications to this Amendment which are unacceptable to any of the Parties, this Amendment shall become void as of the effective date of such order, and the terms and conditions of the Agreement shall continue to remain in full force and effect.

5. MODIFICATION AND ADDITION TO TEXT OF ORIGINAL AGREEMENT :

5.1 Section 5 of the Agreement is hereby modified by:

5.1.1 Deleting subsection 5.4, the limitation is no longer required.

5.1.2 Deleting subsection 5.8 and replacing it with a new subsection 5.8 as follows:

"5.8 Lincoln and Overton shall be responsible for the operation, maintenance, replacement, or improvement of the Reid Gardner / Tortoise 230 kV line including all costs."

5.1.3 Revise subsection 5.9 as follows:

Delete the words "aforementioned substation and 69 kV" and replace with "230 kV and 69 kV transmission"

5.2 Section 6 of the Agreement is hereby modified by:

5.2.1 Deleting subsection 6.8.1 and replacing it with a new subsection 6.8.1 as follows:

"6.8.1 Install at its cost the equipment on the Reid Gardner side of the Interconnection Point identified in Exhibit B, Revision No. 1, including the necessary appurtenance to such facilities and equipment. Nevada shall install such facilities in accordance with its normal design and construction practices. Such design and construction shall be coordinated with Lincoln and Overton and their relocation of the 230/69 kV substation to the Tortoise Substation."

5.2.2 Deleting subsection 6.8.2 and replacing it with a new subsection 6.8.2 as follows:

"6.8.2 Own, operate and maintain at its expense the 230 kV facilities and equipment installed pursuant to Section 6.8.1 in accordance with prudent utility practices and procedures."

5.2.3 Add a new subsection 6.8.5 as follows:

"6.8.5 Nevada has contributed \$170,000 to Lincoln and Overton for the relocation of equipment from the Reid Gardner Substation to the Tortoise Substation in accordance with the Letter Agreement between the Parties dated April 11, 1994.

5.3 Section 7 of the Agreement is hereby amended by the addition of the following:

"7.3 The Interconnection Point among Nevada, Lincoln, and Overton shall be the dead-end structure of the Reid Gardner / Tortoise 230 kV line located just inside the fence of the Reid Gardner Substation. Interconnection Point is shown on the attached Exhibit B, Revision No. 1."

5.5 Section 11 of the Agreement is hereby modified by replacing Section 11.1 with the following:

"11.1 In order to provide liaison and effective coordination and cooperation regarding the Interconnection of the Parties and the scheduling of power, each Party shall appoint an Operating Representative and a Contract Representative to the Coordinating Committee. The Coordinating Committee shall meet to resolve issues which may arise

CEII REMOVED

NEVADA POWER COMPANY



April 11, 1994

Mr. Alma Whipple
General Manager
Overton Power District No. 5
P.O. Box 395
Overton, NV 89040

Order No. **EL98-2667-000**
Company: **Nevada Power Co.**
FERC EL Rate **51**
Comp. No. **1/703**
Filing Date **4-14-98**
Effective Date **6-8-98**

Dear Mr. Whipple:

This letter confirms the understanding and agreement reached between Overton Power District No. 5 (Overton) and Nevada Power Company (NPC) at a meeting held on March 28, 1994 concerning the amount of NPC's contribution to Overton and Lincoln County Power District No. 1 (Lincoln) for your relocation from Reid Gardner to the Tortoise Substation.

The participants at the meeting were yourself and Mr. K. Bloomfield representing Overton and Mr. E. Elizeh, Mr. M. Davis, Mr. T. Pfisterer and the undersigned representing NPC.

The meeting was held to discuss possible reductions in NPC's contribution as a result of various cost overruns suffered by NPC in its work at Reid Gardner which were alleged to have been caused in part by Overton/Lincoln's actions or inactions in relocating from Reid Gardner to the Tortoise Substation.

The parties thoroughly discussed the matter and reviewed the details and possible causes of NPC's cost overruns. As a result of our discussions, the parties agreed to the following:

- The amount of NPC's contribution was previously agreed by the parties to be \$200,000.
- Overton agreed to incur 50% of NPC's AFUDC charge. The total amount of NPC's AFUDC was \$60,000. Therefore, Overton would accept \$30,000 of the AFUDC which would result in a revised NPC contribution to Overton/Lincoln of \$170,000.
- The parties agreed that there were no other overrun charges (as listed in the attached NPC Variance Report) that would be incurred by Overton and Lincoln.
- Overton and Lincoln will not charge NPC and NPC will not incur any costs or liability for breakers provided by NPC which were alleged by Overton and/or Lincoln to be inoperable or defective and requiring repair and/or replacement.
- NPC and Overton will work together to resolve any outstanding issues related to metering, billing and scheduling.
- Overton will obtain Lincoln's agreement to the above matters.

6226 WEST SAHARA AVE. • P.O. BOX 230 • LAS VEGAS, NEVADA 89151-0230 • 702/367-5000

4/11/94-0003

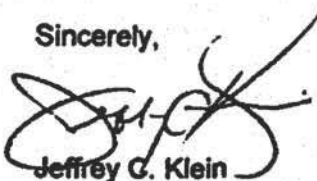
Mr. Alma Whipple
 Overton Power District No. 5
 April 11, 1994
 Page 2

If the above represents your understanding and result of the meeting, please sign below and have Lincoln sign, to signify your agreement and return one copy to my attention.

Upon receipt of a signed copy of this letter, and upon resolution of any metering matters, a revised amendment to the Transmission Service Agreement will be sent to you.

NPC appreciates your time and assistance in this matter and as always, we look forward to the continuation of our excellent working relationship with both Overton and Lincoln.

Sincerely,



Jeffrey C. Klein
 Manager, Resource Procurement

JCK/ri

cc: E. Elizeh
 M. Davis
 T. Pfisterer

T. Davis
 S. Gifford

Attachment

Overton Power District No. 5

By Alma W. Whipple

Title General Manager

Date April 29, 1994

Lincoln County Power District No. 1

By Louis Cole

Title Manager

Date June 13, 1994

2/27/94 d003

VARIANCE REPORT

By Eric S. Chon

W.O. #97083

Acct. #107,353

Reid Gardner Substation

DESCRIPTION	ACTUAL AMT.		W.O. AMT.	DIFF. (WO-ACT)
	CODED	NON-CODED		
Power Ckt Breakers	0	319,000	330,000	11,000
Airbreak Switches	0	48,000	72,000	24,000
Potential devices	0	67,000	15,000	(52,000)
Steel	0	58,000	50,000	(8,000)
Relays and Panels	27,000	28,000	17,000	(38,000)
Cable, Bus, Insulato	12,000	0	5,000	(7,000)
Grounding, Conduit, Control Cable	28,000	17,000	2,000	(43,000)
Misc. & Stores	10,000	16,000	51,000	25,000
Foundations, Fence	0	64,000	35,000	(29,000)
Equipment Rental	0	4,000	20,000	16,000
Labor	0	322,000	252,000	(70,000)
AFUDC	0	83,000	23,000	(60,000)
Total	77,000	1,026,000	872,000	(231000)

Note: All dollar amounts are rounded to thousands.
This report is based on the expenses that came in as of
10-31-93. It looks like charges for all the major items
have been posted except about \$16,000 more to be paid for
the metering device. All other outstanding charges should
be minimal.

page 1

ATTACHMENT I

Nevada Power's 1995 Transmission Costs Using the Rate of Return Approved by the PSCN in 1992

Docket No. **ER97-3811-000**
Company: **NPC**
FERC EL Rate Set. Reg **51**
App. No.: **2**
Filing Date: **7-21-97**
Effective Date: **9-25-96**

TRANSMISSION SERVICE AGREEMENT

EXHIBIT A

1. Subject to Section 6.8.2, the Monthly Transmission Service Charge to be paid by Contractor (either Lincoln or Overton, as applicable) to Nevada shall be calculated by the formula:

$$A = \frac{B}{12} \frac{(C)}{(C + D)}$$

Where:

A = Monthly Transmission Service Charge

B = Transmission Costs (Item 3.10)

C = Contractor's System Peak less amount of capacity sold to the Contractor by Nevada

D = Nevada's System Peak

2. Prior to May 15 of each year, Nevada shall furnish Lincoln the calculation of the Monthly Transmission Service Charge based upon Nevada's book costs for Items 3.1 and 3.2 as of December 31 of the prior year; the calculation of Item 3.3; Lincoln's Peak Demand for the prior year; and, Nevada's Peak Demand for the prior year. Monthly billings to Lincoln shall be based upon such calculations until revised the following year. Each year, beginning June 1989, the June bill will contain an adjustment, if any, to account for the difference between the previous year's and the most current year's system peak demands and transmission costs.

A-1

3. The Transmission Costs from Nevada's books and records shall be determined using the method set forth in this Item 3. All costs listed are for wholly-owned facilities of Nevada. The costs associated with jointly-owned facilities have been excluded.

3.1	Transmission Plant in Service	
	(FERC Accounts 350-359)	\$262,339,916
3.2	Transmission Plant Reserve for Depreciation	<u>\$ 53,192,826</u>
3.3	Depreciated Transmission Plant in Service	
	(Item 3.1 minus Item 3.2)	\$209,147,090
3.4	Nevada's rate of return including federal income	
	taxes as calculated pursuant to Part 1	<u>12.95%</u>
3.5	Return on Investment (Item 3.4 times Item 3.3)	\$ 27,084,548
3.6	Transmission Operation and Maintenance Expenses	\$ 5,404,143
3.7	Transmission Depreciation Expenses	\$ 6,240,501
3.8	Real and Personal Property Tax as calculated	
	pursuant to Part 2	\$ 1,634,066
3.9	Administrative and General Expense	
	as calculated pursuant to Part 3	<u>\$ 3,116,657</u>
3.10	Transmission Costs (sum of Items 3.5,	
	3.6, 3.7, 3.8 and 3.9)	<u>\$ 43,479,915</u>

PART 1**CALCULATION OF NEVADA'S RATE OF RETURN**

Nevada shall reserve the right to revise the following computation upon any material change in the data. Such revision shall be filed with the FERC pursuant to Section 205 of the Federal Power Act.

Weighted Cost of Capital as of July 29, 1992

For Reference Only

	Weighted Cost of Capital Per Order Dated July 27, 1992 Docket No. 92-1029 and 92-1067 Page 99	FIT* 34/66 of Col. a	(Col. a) + (Col. b)
	(a)	(b)	(c)
Common Equity**	5.23%	2.69%	7.92%
Preferred Stock	0.46%	0.24%	0.70%
Long-Term Debt	4.04%		4.04%
Customer Deposits	0.05%		0.05%
Short Term Debt	<u>0.24%</u>	<u> </u>	<u>0.24%</u>
TOTAL	<u>10.02%</u>	<u>2.93%</u>	<u>12.95%</u>

* Federal Income Tax

** The cost of Common Equity is the Company's latest authorized rate since FERC generic rate has been discontinued.

PART 2**COMPUTATION OF PROPERTY TAXES****APPLICABLE TO MONTHLY TRANSMISSION SERVICE CHARGE**

The following computation will be revised annually:

1.	Total Plant @ 12/31/95	\$2,116,337,235
2.	Held for Future Use	2,330,938
3.	CWIP	129,254,981
4.	Acquisition Adjustment	359,648
5.	Materials & Supplies, including fuel	36,709,877
6.	Reserve for Depreciation	(546,803,241)
	Contributed Plant (Net Depreciation)	<u>34,649,075</u>
7.	Total	\$1,772,838,513
Less		
8.	Pollution Control Facilities @ 12/31/95	\$113,809,228
9.	Nevada Net Licensed Vehicles @ 12/31/95	14,656,897
10.	Arizona Net Plant @ 12/31/95	56,658,698
11.	Utah Net Plant @ 12/31/95	1,106,124
12.	Arizona M&S, including fuels @ 12/31/95	4,141,661
13.	Utah CWIP @ 12/31/95	-0-
14.	Arizona CWIP @ 12/31/95	<u>24,252,360</u>
15.	Nevada Tax Base	<u>\$1,558,213,545</u>

$$\frac{\$ 12,174,722}{\$1,558,213,545} = 0.7813\%$$

$$\$209,147,090 \times 0.007813 = \$1,634,066$$

PART 3

NEVADA ADMINISTRATIVE AND GENERAL EXPENSE
APPLICABLE TO MONTHLY TRANSMISSION
SERVICE CHARGE

The following calculation will be revised annually:

Computation of Payroll Tax
Benefits, Worker's Compensation
and A & G Expense for 1995

Transmission Base Labor	\$2,766,177
Sick Leave, Vacation & Holiday @ 13.10%	<u>362,369</u>
Total	<u>\$3,128,546</u>
Payroll Taxes @ 7.41%	\$231,825
Benefits @ 28.11%	879,434
Worker's Compensation @ 1.38%	43,174
A & G @ 62.72%	<u>1,962,224</u>
Total	<u>\$3,116,657</u>

ATTACHMENT II

Nevada Power's 1995 Transmission Costs Using the Rate of Return Last Authorized by the FERC in Docket No. ER89-546-000

TRANSMISSION SERVICE AGREEMENT

EXHIBIT A

1. Subject to Section 6.8.2, the Monthly Transmission Service Charge to be paid by Contractor (either Lincoln or Overton, as applicable) to Nevada shall be calculated by the formula:

$$A = \frac{B}{12} \frac{(C)}{(C + D)}$$

Where:

A = Monthly Transmission Service Charge

B = Transmission Costs (Item 3.10)

C = Contractor's System Peak less amount of capacity sold to the Contractor by Nevada

D = Nevada's System Peak

2. Prior to May 15 of each year, Nevada shall furnish Lincoln the calculation of the Monthly Transmission Service Charge based upon Nevada's book costs for Items 3.1 and 3.2 as of December 31 of the prior year; the calculation of Item 3.3; Lincoln's Peak Demand for the prior year; and, Nevada's Peak Demand for the prior year. Monthly billings to Lincoln shall be based upon such calculations until revised the following year. Each year, beginning June 1989, the June bill will contain an adjustment, if any, to account for the difference between the previous year's and the most current year's system peak demands and transmission costs.

A-1

3. The Transmission Costs from Nevada's books and records shall be determined using the method set forth in this Item 3. All costs listed are for wholly-owned facilities of Nevada. The costs associated with jointly-owned facilities have been excluded.

3.1	Transmission Plant in Service (FERC Accounts 350-359)	\$ 262,339,916
3.2	Transmission Plant Reserve for Depreciation	<u>53,192,826</u>
3.3	Depreciated Transmission Plant in Service (Item 3.1 minus Item 3.2)	209,147,090
3.4	Nevada's rate of return including federal income taxes as calculated pursuant to Part 1	<u>13.71%</u>
3.5	Return on Investment (Item 3.4 times Item 3.3)	28,674,066
3.6	Transmission Operation and Maintenance Expenses	5,404,143
3.7	Transmission Depreciation Expenses	6,240,501
3.8	Real and Personal Property Tax as calculated pursuant to Part 2	1,634,066
3.9	Administrative and General Expense as calculated pursuant to Part 3	<u>3,116,657</u>
3.10	Transmission Costs (sum of Items 3.5, 3.6, 3.7, 3.8 and 3.9)	<u>\$ 45,069,433</u>

PART 1

CALCULATION OF NEVADA'S RATE OF RETURN

Nevada shall reserve the right to revise the following computation upon any material change in the data. Such revision shall be filed with the FERC pursuant to Section 205 of the Federal Power Act.

Weighted Cost of Capital As of July 29, 1992

For Reference only

DESCRIPTION (A)	WEIGHTED AVERAGE (B)	FIT* 34/65 OF COL (B) (C)	TOTAL COL (B) + COL (C) (D)
Common Equity**	5.47%	2.82%	8.29%
Preferred Stock	0.38%	0.20%	0.58%
Long-Term Debt	4.67%		4.67%
Customer Deposits	<u>0.17%</u>	<u> </u>	<u>0.17%</u>
TOTALS	<u>10.69%</u>	<u>3.02%</u>	<u>13.71%</u>

* Federal Income Tax

** The cost of Common Equity is the Company's latest authorized rate since FERC generic rate has been discontinued.

PART 2

COMPUTATION OF PROPERTY TAXES

APPLICABLE TO MONTHLY TRANSMISSION SERVICE CHARGE

The following computation will be revised annually:

1.	Total Plant @ 12/31/95	\$2,116,337,235
2.	Held for Future Use	2,330,938
3.	CWIP	129,254,981
4.	Acquisition Adjustment	359,648
5.	Materials & Supplies, including fuel	36,709,877
6.	Reserve for Depreciation	(546,803,241)
	Contributed Plant (Net Depreciation)	<u>34,649,075</u>
7.	Total	\$1,772,838,513
Less		
8.	Pollution Control Facilities @ 12/31/95	\$113,809,228
9.	Nevada Net Licensed Vehicles @ 12/31/95	14,656,897
10.	Arizona Net Plant @ 12/31/95	56,658,698
11.	Utah Net Plant @ 12/31/95	1,106,124
12.	Arizona M&S, including fuels @ 12/31/95	4,141,661
13.	Utah CWIP @ 12/31/95	-0-
14.	Arizona CWIP @ 12/31/95	<u>24,252,360</u>
15.	Nevada Tax Base	<u>\$1,558,213,545</u>

$$\frac{\$ 12,174,722}{\$1,558,213,545} = 0.7813\%$$

$$\$209,147,090 \times 0.007813 = \$1,634,066$$

PART 3**NEVADA ADMINISTRATIVE AND GENERAL EXPENSE****APPLICABLE TO MONTHLY TRANSMISSION****SERVICE CHARGE**

The following calculation will be revised annually:

**Computation of Payroll Tax
Benefits, Worker's Compensation
and A & G Expense for 1995**

Transmission Base Labor	\$2,766,177
Sick Leave, Vacation & Holiday @ 13.10%	<u>362,369</u>
Total	<u>\$3,128,546</u>
Payroll Taxes @ 7.41%	\$231,825
Benefits @ 28.11%	879,434
Worker's Compensation @ 1.38%	43,174
A & G @ 62.72%	<u>1,962,224</u>
Total	<u>\$3,116,657</u>

ATTACHMENT III - COMPARISON OF REVENUES

1996 transmission revenues collected from Overton and Lincoln using a rate of return of 12.95%, as authorized by the PSCN in 1992:

Nevada Power Company's 1995 Transmission Costs	\$43,478,915
Nevada Power Company's System Peak - July 1995	3,066,000 kW
Plus: Overton/Lincoln 1995 Peak	<u>8,508 kW</u>
	3,074,508 kW

Annual Transmission Revenues (Per Formula in Transmission Agreement)

$\frac{\$43,478,915 \times 8,508 \text{ kW}}{3,074,508 \text{ kW}}$	=	\$120,321
---	---	-----------

1996 transmission revenues collected from Overton and Lincoln using a rate of return of 13.71%, as approved by the FERC in Docket No. ER89-546-000:

Nevada Power Company's 1995 Transmission Costs	\$45,069,433
Nevada Power Company's System Peak - July 1995	3,066,000 kW
Plus: Overton/Lincoln 1995 Peak	<u>8,508 kW</u>
	3,074,508 kW

Annual Transmission Revenues (Per Formula in Transmission Agreement)

$\frac{\$45,069,433 \times 8,508 \text{ kW}}{3,074,508 \text{ kW}}$	=	\$124,719
---	---	-----------

TRANSMISSION SERVICE AGREEMENT EXHIBIT B

Overton Transition to NITS Service

1. Notwithstanding anything to the contrary in this Agreement, this Exhibit B will govern the rates, terms and conditions of service to Overton under this Agreement from the effective date of this Exhibit B as established by the FERC and the effective date of Overton's service agreement for Network Integration Transmission Service ("NITSA") under Nevada's open access transmission tariff (the "OATT"). In this Exhibit B, any references to NV Energy shall be deemed to mean Nevada. This Exhibit B will not change any terms of service provided to Lincoln under this Agreement.
2. **Defined Terms.** The following terms shall apply for use in this Exhibit B.
 - a. The "Transition Period" means the period consisting of both "Transition Period I" and "Transition Period II."
 - b. "Transition Period I" means January 1, 2018 through date of commercial operation of NV Energy's planned new 230 kV Reid Gardner-Tortoise transmission line (the "New Reid Gardner-Tortoise Line).
 - c. "Transition Period II" means a period of four (4) years beginning on the date of commercial operation of the New Reid Gardner-Tortoise Line.
3. **Credits for Past Periods.** As a resolution to all prior disputes under this Agreement, Overton shall receive \$1,422,000 in credits from NV Energy (the "Credits") to be used toward transmission service provided by NV Energy under this Agreement on or after January 1, 2018. These credits will not accrue any additional interest.
4. **Transmission Service During the Transition Period Generally.** Overton agrees to continue to take transmission service from NV Energy under this Agreement, as modified by this Exhibit B, through the end of the Transition Period. During Transition Period II, Overton shall have comparable rights to use of the NV Energy transmission system as a transmission customer taking Network Integration Transmission Service ("NITS") under NV Energy's OATT. In advance of the conclusion of the Transition Period II, Overton shall execute a NITSA under the OATT, to be effective upon termination of Transition Period II, and service to Overton under this Agreement will contemporaneously cease.
5. **Transmission Service During Transition Period I.** For Transition Period I, Overton will pay NV Energy the Transition Period I Rate as defined in this Section 5.
 - a. The Transition Period I Rate will consist of (i) a "black box" revenue requirement based on agreed upon costs, referred to in this Agreement as Transmission Costs (line 3.10) of \$113,779,655, and (ii) use of system peak data similar to that utilized currently and presented in Exhibit A of this Agreement to determine the Monthly Rate, namely:

$$\text{Monthly Rate} = \frac{\text{Transmission Costs}}{12} \times \frac{\text{Overton's System Peak}}{(\text{NV Energy's Transmission System Peak} + \text{Overton's System Peak})}$$

where:

- i. While deemed to be a “black box” revenue requirement, the Transmission Costs for Transition Period I expressly include adjustments to reflect the adjustment to the 21% Federal Income Tax rate set out in the Tax Cut and Jobs Act of 2017 and removal of all prior adjustments due to accruals for joint projects;
 - ii. NV Energy Transmission System Peak will be the Nevada Power Company system peak, the amount reported on Nevada Power Company’s FERC Form No. 1 page 400 column (b) for each applicable year. For the avoidance of doubt, NV Energy Transmission System Peak will not include load on the Sierra Pacific Power Company system;
 - iii. Overton’s System Peak will come directly from Overton’s meter data for each applicable calendar year of service (“Rate Year”);
 - iv. For each whole or partial Rate Year that Overton takes service under Transition Period I, NV Energy will continue to charge a Monthly Rate based on projections derived from historical costs, which will be trued up after the conclusion of each Rate Year, as set out in this Agreement; and
 - v. For avoidance of doubt, NV Energy will continue to invoice Overton on a monthly basis for service as set out in this Agreement, including all rights that Overton may have to use any portion of the 45 MW of Lincoln’s transmission service rights assigned to Overton in any month.
- b. For the True-Up of the 2018 Rate Year which will occur in 2019 once Overton System Peak and the NV Energy Transmission System Peak are known, NV Energy will apply Credits as set out in Section 3, above, to the trued up Monthly Rate in the amount of \$35,000/month.
 - c. For the 2018 Rate Year, NV Energy will charge Overton for reactive power at \$50/MW-mo times Overton’s Monthly Network Load and will gross up the meter reads to assess 2% for losses.
 - d. For service commencing as of January 1, 2019 and based on the application of the same Transition Period I Rate determined above, Overton will use the Credits to offset transmission service Monthly Rate charges in the amount of \$35,000 per month until all Credits are used. Overton may modify its use of Credits for the subsequent rate years by providing notice to NV Energy no later than September 1

of the prior year, e.g., September 1, 2019 for a change in credits effective January 1, 2020, such that NV Energy may appropriately budget for any such change in revenues. The transmission bill will be credited until OATT service commences or when the Credits are fully expended, whichever is earlier.

- e. For service commencing as of January 1, 2019 or such effective date established by FERC and continuing through the end of Transition Period I, NV Energy will charge for or require that Overton purchase or provide the following Ancillary Services and Losses:


- Schedule 1.
- Schedule 2.
- Schedule 1-A/Schedule 4/Schedule 9/Attachment P – per Energy Imbalance Market (“EIM”) requirements of NV Energy Tariff for all imbalance settlement associated with Overton schedules (e.g., as if an OATT customer). EIM uplifts under Schedule 1-A and Attachment P are charges billed to NV Energy that are then allocated to all customers by their Measured Demand (% usage of the Transmission System, as defined in the NV Energy OATT). With respect to any uplifts, Overton would receive a credit when the NV Energy Balancing Authority Area (“BAA”) gets the imbalance credit from the California Independent System Operation (“CAISO”), and Overton would be charged an imbalance charge when the NV Energy BAA gets the imbalance charge from CAISO based on the ratio of their Measured Demand to the overall BAA measured demand. Schedule 4 and 9, imbalances (either payments or charges) would be based on Overton’s schedules and the applicable locational marginal prices (“LMPs”).
- Overton’s Monthly Network Load, Measured Demand and NV Energy’s Monthly Transmission System Load will be calculated the same way that it is calculated under the OATT.
- Overton will be entitled to self-supply where permitted by the OATT. Unless given written notification to modify its request, Overton will be self-providing Schedules 3 and 10. If NV Energy does not receive a monthly tag for Schedule 10 from Overton, NV Energy will assume the election for self-providing losses has been modified and will bill Overton for losses.
- Overton will coordinate with its Scheduling Coordinator to ensure that they create a separate tag for losses to pay NV Energy back in kind for losses. For metering purposes and to ensure that Overton is isolated from any ancillary service responsibility associated with load that is not its own, NV Energy will use the ICCP link it set up with Lincoln last year to receive live meter data from Lincoln. NV Energy is currently receiving meter data for Mesa, Sheep Mtn and the Lincoln portion of the load at Tortoise. NV

Energy will apply an algorithm to the Overton (totalizer) meter at Tortoise will minimize the EIM risk associated with Lincoln for Overton. NV Energy has data from the Q1000 meter at Tortoise. In the algorithm NV Energy would use the Q1000 meter and subtract the Lincoln meters at Tortoise, Mesa, and Sheep Mountain. NV Energy will also apply Overton's meter at MX Well. NV Energy will compare the schedule to the meter data which would have the algorithm in place to subtract the meters that are for Lincoln for purposes of billing and imbalance calculations.

6. **Transmission Service During Transition Period II.** For Transition Period II, Overton will pay NV Energy the Transition Period II Rate as defined in this Section 6.
 - a. Overton shall take transmission service and all applicable Ancillary Services on the same non-discriminatory terms provided to and required of customers under the OATT, and at the prevailing rates under the OATT in the same manner as if Overton were taking service under an OATT NITSA, except as provided in Section 6(b) of this Exhibit B. Any change in terms and conditions or rates under the NV Energy OATT shall apply to service to Overton under this Agreement during Transition Period II.
 - b. During Transition Period II, NV Energy will (i) permit Overton to use any remaining Credits from Transition Period I, applied in equal increments each month over two 2 years of service; and (ii) credit Overton's transmission charges in the following amounts decreasing over Transition Period II: 20 megawatts for the first calendar year of Transition Period II; 15 megawatts for the second calendar year of Transition Period II; 10 megawatts for the third calendar year of Transition Period II; 5 megawatts for the fourth calendar year of Transition Period II.
 - c. For the avoidance of doubt, during Transition Period II, Overton will have no rights to utilize the 45 MW of Lincoln's transmission service rights assigned to Overton in any month.
7. **Construction of the New Reid Gardner-Tortoise 230 kV Line.** NV Energy will use best efforts to construct the New Reid Gardner-Tortoise 230 kV Line to ensure NV Energy can provide reliable transmission service to Overton. NV Energy will construct a new terminal at Reid Gardner Substation to terminate the New Reid Gardner-Tortoise 230 kV Line and approximately 2.3 miles of 230 kV line to a location just outside of Tortoise Substation, the precise location of which is to be mutually agreed to. Overton will construct the continuation of the line and build a new terminal at Tortoise Substation to terminate the New Reid Gardner-Tortoise Line. NV Energy agrees to include the New Reid Gardner-Tortoise Line in its Integrated Resource Plan submittal to the Public Utilities Commission of Nevada ("PUCN") in April 2019. At NV Energy's option, NV Energy may contribute up to \$300,000 toward Overton's terminal upgrades at the Tortoise substation by providing notice to Overton no later than May 1, 2019, which will serve as a further reduction to the balance of Credits, if such credits are available.

8. **Moratorium During Transition Period.** NV Energy and Overton agree that, with respect to any additional further changes by NV Energy or Overton (or any affiliates) under this Agreement affecting service to Overton, for the duration of the Transition Period, and except as provided by this Section 8: (a) NV Energy shall not file with the FERC under Federal Power Act Section 205 to change any terms of this Agreement as it relates to Overton without Overton's agreement; and (b) Overton shall not file with the FERC under Federal Power Act Section 206 to seek any changes to this Agreement. If: (a) the PUCN does not approve the New Reid Gardner-Tortoise Line in the 2019 Integrated Resource Plan process or (b) the New Reid Gardner-Tortoise Line is not placed in service three years after final approval through the Integrated Resource Plan process, then both NV Energy's Federal Power Act Section 205 rights and Overton's Federal Power Act Section 206 rights to seek changes to this Agreement will be reinstated. The moratorium does not extend to Overton's right to participate in proceedings involving changes to the rates, terms and conditions of the NV Energy OATT that may directly or indirectly affect Overton during Transition Period II or thereafter.

Nevada Power Company d/b/a NV Energy

By: 
 Name: Douglas A. Cannon
 Title: President and CEO
 Date: March 8, 2019

**Overton Power District No. 5,
a Nevada quasi-municipal special improvement
district**

By: _____
 Name: _____
 Title: _____
 Date: _____

Lincoln County Power District

By: _____
 Name: _____
 Title: _____
 Date: _____

8. **Moratorium During Transition Period.** NV Energy and Overton agree that, with respect to any additional further changes by NV Energy or Overton (or any affiliates) under this Agreement affecting service to Overton, for the duration of the Transition Period, and except as provided by this Section 8: (a) NV Energy shall not file with the FERC under Federal Power Act Section 205 to change any terms of this Agreement as it relates to Overton without Overton's agreement; and (b) Overton shall not file with the FERC under Federal Power Act Section 206 to seek any changes to this Agreement. If: (a) the PUCN does not approve the New Reid Gardner-Tortoise Line in the 2019 Integrated Resource Plan process or (b) the New Reid Gardner-Tortoise Line is not placed in service three years after final approval through the Integrated Resource Plan process, then both NV Energy's Federal Power Act Section 205 rights and Overton's Federal Power Act Section 206 rights to seek changes to this Agreement will be reinstated. The moratorium does not extend to Overton's right to participate in proceedings involving changes to the rates, terms and conditions of the NV Energy OATT that may directly or indirectly affect Overton during Transition Period II or thereafter.

Nevada Power Company d/b/a NV Energy

By: _____
 Name: _____
 Title: _____
 Date: _____

**Overton Power District No. 5,
 a Nevada quasi-municipal special improvement
 district**

By:  _____
 Name: Mendis Cooper
 Title: General Manager
 Date: March 08, 2019

Lincoln County Power District

By: _____
 Name: _____
 Title: _____
 Date: _____

TARIFF COVER PAGE

A. Tariff Submitter: Nevada Power Company

B. FERC Tariff program Name: FERC FPA Electric Tariff

C. Tariff Title: Rate Schedule No. 51

D. Tariff Record Proposed Effective Date: May 11, 2019

E. Tariff Record Title: Rate Schedule No. 51

F. Option Code: N/A

G. Other Information as the FERC may require by notice or order: N/A

FERC rendition of the electronically filed tariff records in Docket No. ER19-01245-000

Filing Data:

CID: C001610

Filing Title: NPC-Overton-Lincoln Trans Agr R.S. 51

Company Filing Identifier: 207

Type of Filing Code: 10

Associated Filing Identifier:

Tariff Title: NPC Database

Tariff ID: 1

Payment Confirmation:

Suspension Motion:

Tariff Record Data:

Record Content Description, Tariff Record Title, Record Version Number, Option Code:

Tariff, Rate Schedule No. 51, 0.1.0, A

Record Narrative Name:

Tariff Record ID: 209

Tariff Record Collation Value: 427819008 Tariff Record Parent Identifier: 0

Proposed Date: 2019-05-11

Priority Order: 1000000000

Record Change Type: NEW

Record Content Type: 2

Associated Filing Identifier:

This is a PDF section and we cannot render PDF in a RTF document.

Document Content(s)

NVE_TriParty_Transmittal Letter.PDF.....	1-6
RS_NPC_51_TriParty as Amended PUBLIC_REDLINE.PDF.....	7-61
Stipulation and Settlement Agreement _ATTACHMENT.PDF.....	62-71
CLEAN PUBLIC.PDF.....	72-128
TARIFF COVER PAGE.PDF.....	129-129
FERC GENERATED TARIFF FILING.RTF.....	130-130

FEDERAL ENERGY REGULATORY COMMISSION
WASHINGTON, DC 20426

OFFICE OF ENERGY MARKET REGULATION

Nevada Power Company
Docket No. ER19-1245-000

Issued: April 24, 2019

Christopher R. Jones
Troutman Sanders LLP
401 9th Street, N.W., Suite 1000
Washington, D.C. 20004

Reference: Amended Transmission Agreement

On March 12, 2019, you submitted on behalf of Nevada Power Company (Nevada Power), an amendment to its agreement for transmission service between Nevada Power, Overton Power District No. 5 (Overton), and Lincoln County Power District No. 1 (Lincoln) (the Tri-Party Agreement). Nevada Power states that the amendment resolves certain disputes between itself and Overton and provides for the transition of Overton's transmission service from the Tri-Party Agreement to service under Nevada Power's open access transmission tariff. Nevada Power also states that the amendment does not affect the rates, terms, or conditions of service to Lincoln. The amended Tri-Party Agreement is accepted, effective May 11, 2019, as requested.¹

This filing was noticed on March 12, 2019, with comments, protests, or motions to intervene due on or before April 2, 2019. No protests or adverse comments were filed. Notices of intervention and unopposed timely filed motions to intervene are granted pursuant to the operation of Rule 214 of the Commission's Rules of Practice and Procedure (18 C.F.R. § 385.214). Any opposed or untimely filed motion to intervene is governed by the provisions of Rule 214.

This action does not constitute approval of any service, rate, charge, classification, or any rule, regulation, contract, or practice affecting such rate or service provided for in the filed documents; nor shall such action be deemed as recognition of any claimed contractual right or obligation affecting or relating to such service or rate; and such action

¹ Nevada Power Company, FERC FPA Electric Tariff, NPC Database, Tariff, Rate Schedule No. 51, 0.1.0.

is without prejudice to any findings or orders which have been or may hereafter be made by the Commission in any proceeding now pending or hereafter instituted by or against Nevada Power.

This action is taken pursuant to authority delegated to the Director, Division of Electric Power Regulation - West, under 18 C.F.R. § 375.307. This order constitutes final agency action. Requests for rehearing by the Commission may be filed within 30 days of the date of issuance of this order, pursuant to 18 C.F.R. § 385.713.

Issued by: Carlos D. Clay, Acting Director, Division of Electric Power Regulation – West

TRAN-6

**TRANSMISSION TO TRANSMISSION INTERCONNECTION
FACILITIES STUDY**

LASSEN MUNICIPAL UTILITY DISTRICT

Report Prepared By



November 2016

TRANSMISSION TO TRANSMISSION INTERCONNECTION
FACILITIES STUDY
LASSEN MUNICIPAL UTILITY DISTRICT

Contents:

1. PURPOSE:	3
2. TRANSMISSION SERVICE	3
3. REQUIREMENTS TO INTERCONNECT:	4
4. COST ESTIMATES.....	10
5. TIME TO CONSTRUCT	11
APPENDIX A	12
APPENDIX B	13

**TRANSMISSION TO TRANSMISSION INTERCONNECTION
FACILITIES STUDY
LASSEN MUNICIPAL UTILITY DISTRICT**

1. PURPOSE:

On October 2, 2012, NV Energy received a letter from Lassen Municipal Utility District ("LMUD") for a transmission to transmission interconnection request. LMUD proposed to interconnect a 345 kV line from LMUD's proposed Viewland Substation to the NV Energy owned Alturas 345 kV line located at approximately 40°21'41.99"N - 120°12'52.47"W. The new 345 kV interconnection would line fold the existing 345 kV Alturas line into a new proposed Shaffer Substation. The interconnection would extend to the proposed LMUD 345/60 kV-50 MVA Viewland Substation located adjacent to the proposed Shaffer Substation.

This Facilities Study presents a summary of the required facilities, costs, and construction timing for the interconnection requirements for LMUD to connect to NV Energy's Alturas 345 kV Transmission Line ("Alturas 345 kV").

GENERAL INFORMATION			
Customer Name:	Lassen Municipal Utility District	Requested Point of Interconnection:	Ft Sage-Hilltop 345 kV Line adjacent to New Viewland Substation Approximate location: 40°26'27.35"N 120°16'5.85"W
Maximum Interconnection Capacity:	50 MW	Requested Interconnection Date:	September 1, 2018

See Appendices A and B, respectively, for a one-line representation of the proposed interconnection and a geographic map of the general project location.

The results and requirements of this Facilities Study supersede those of any previous Interconnection Feasibility and System Impact Studies.

2. TRANSMISSION SERVICE

This study provides no guarantee of transmission service nor does it reserve a spot in the transmission queue for this project. A Transmission Service Request ("TSR") or a request to be designated as a Network Resource would need to be submitted by the

**TRANSMISSION TO TRANSMISSION INTERCONNECTION
FACILITIES STUDY
LASSEN MUNICIPAL UTILITY DISTRICT**

Interconnection Customer (or someone on its behalf) and accepted by the Transmission Provider in order for a request to reserve transmission capacity to be valid. TSRs are accepted on a first come first serve basis. Additional costs (study work, facilities, etc.) for such TSR and subsequent Transmission Service Agreement ("TSA") would be required pursuant to the OATT.

To date, LMUD has not requested Transmission Service on NV Energy's Transmission System and this Facilities Study does not evaluate the availability of transmission capacity on NV Energy's system.

3. ASSUMPTIONS:

- a. The site for Shaffer Substation is based on today's needs and any future growth will require land expansion and additional permitting.
- b. LMUD is completing all permitting for this project. All substation site locations will be fully discussed and approved by NV Energy.

4. REQUIREMENTS TO INTERCONNECT:

1. Proposed NV Energy 345 kV Shaffer Switching Station

- a. NV Energy will design, procure, construct, and own a new four-breaker 345 kV ring bus switching station configured to accommodate a future breaker and a half configuration adjacent to the existing Alturas line. The Switching Station fence will be approximately 800' x 500' and will include:
 - i. Four (4) 345 kV breakers and associated bus work, protection, telecommunications, and associated facilities;
 - ii. Two (2) switchable 50 MVAR Bus Capacitor Banks with voltage controlled and manual switching capability. The capacitor banks will have capacitor switchers with pre-insertion resistors to eliminate capacitor bank switching transients. Capacitor bank will connect to a terminal position created by two zero crossing breakers. The two capacitors will be protected and controlled by separate pairs of redundant SEL-487V relays.
 - iii. One (1) 345 kV 15 MVAR fixed reactor with a 2000Ω neutral reactor at the Shaffer end of the Shaffer - Hilltop #3450 Line. The reactor bank will have a circuit switcher which incorporates the breakers and switching hardware into a single unit to eliminate the reactor bank switching transients.
 - iv. New Control Enclosure; and
 - v. Appropriate access, grading, fencing, and drainage.
- b. The preliminary location for the proposed 345 kV Shaffer Switching Station is: Latitude 40°21'41.99"N; Longitude 120°12'52.47"W;
- c. Site selection for NV Energy owned substations and facilities, whether on private or public land, must be coordinated with and approved by NV Energy. This coordination is critical to ensure that the site location meets NV Energy's

**TRANSMISSION TO TRANSMISSION INTERCONNECTION
FACILITIES STUDY
LASSEN MUNICIPAL UTILITY DISTRICT**

needs for size, access, communication paths, stable soils, terrain, drainage, and other technical considerations. Failure to do so may cause significant delays in the permitting process; and

- d. Geotechnical investigations may identify issues that require project scope changes, location changes and/or additional equipment to be installed. These issues will be resolved in accordance with the responsibilities outlined in the interconnection agreement.

2. #3450 Alturas 345 kV Line Fold

- a. The Transmission Provider will construct a 4-structure, 345 kV line fold between the existing #3450 line and the new proposed Shaffer Switching Station;
 - i. Line to be constructed using 2-954 ACSR per phase; and
 - ii. This estimate includes an extensive geotechnical investigation with seismic fault finding through a drone.

3. Point of Change of Ownership and Shaffer Switching Station Entrance

- a. The Transmission Provider will design, procure, install, and own approximately 0.2 miles of 2-954 ACSR 345 kV line from NV Energy's Shaffer Switching Station to LMUD's Viewland Substation.

4. Proposed LMUD 345/69 kV Viewland Substation

- a. LMUD will design, procure, construct, and own a new 345/69 kV Substation adjacent to (approximately 600' apart from) the proposed 345 kV Shaffer Switching Station. Viewland Substation will include:
 - i. 50 MVA 345/60 kV transformer;
 - ii. 69 kV 50 MVA +/- 45° Phase Shifting transformer;
 - a. NV Energy will have the NV Energy-owned Remote Terminal Unit (RTU) located at Viewland Substation hard wired to the Phase Shifting transformer for Control;
 - b. Alternatively, a Remedial Action Scheme or Special Protection Scheme can be implemented for the loss of either the Hilltop 345/230kV transformer or the Hilltop-Viewland 345kV line, the Viewland 345/69 kV transformer and the Caribou-Westwood 69 kV line overload. Proposed mitigation is to separate the LMUD system from NVE for the loss of any section of the Reno-Alturas 345kV line or the loss of the Hilltop 345/230 kV transformer;
 - c. LMUD will install either the Phase Shifting transformer or will implement a Remedial Action Scheme. Cost implications for the Remedial Action Scheme have not been addressed in this study;
 - iii. Circuit breakers, protection, metering, telecommunications, and associated facilities;

**TRANSMISSION TO TRANSMISSION INTERCONNECTION
FACILITIES STUDY
LASSEN MUNICIPAL UTILITY DISTRICT**

-
- b. LMUD is responsible for all of its facilities up to the Point of Change of Ownership. LMUD shall own, maintain, operate and inspect its own facilities;
 - c. LMUD is responsible for the electrical protection of its facilities. LMUD's transformer inside of Viewland Substation must have an appropriate interrupting device installed on the high side of the transformer; and
 - d. LMUD will permit, design and construct all access roads to both Shaffer Switching Station and Viewland Substation. Access roads must be sufficient to provide 24 hour access throughout the year.
 - 5. Millwood Substation Capacitor Bank
 - a. LMUD to install new 16 MVar capacitor bank at LMUD's Millwood Substation.
 - 6. Sub-Transient Switching Upgrades
 - a. Requirements at Bordertown Substation:
 - i. The existing 35 MVar reactor at Bordertown needs to be converted from switchable to fixed operation;
 - b. Requirements at Hilltop Substation:
 - i. The existing 35 MVar reactor at Hilltop needs to be converted from switchable to fixed operation;
 - ii. Replace ABB RADSB and SEL-351 relays at Hilltop with SEL-487E relays for 345/230 kV transformer protection;
 - iii. Remove the 345 kV Remedial Action Scheme equipment at Hilltop;
 - iv. Replace 3450 line SEL-321 and GEC Optimho relays with SEL-421 and SEL-311L relays;
 - c. Requirements at Ft. Sage Substation:
 - i. Replace the 132 kV surge arrester on the Ft Sage neutral reactor with a 96 kV arrester;
 - ii. Replace the existing 345 kV, 35 MVar, 2000Ω neutral reactor to 500Ω;
 - iii. Re-terminate the existing 345 kV, 3450 line and replace the SEL-321 relays with SEL-421 and SEL-311L relays;
 - d. Install surge arrestors rated 276 kV at the following locations: connected Schaffer line terminals, Ft Sage 3450 line relocation, and Ft Sage neutral reactor.
 - 7. Protection
 - a. NV Energy will design, procure, install and own the necessary relays and associated equipment at the proposed Shaffer 345 kV Switching Station;
 - b. LMUD will protect their proposed 345/60kV Viewland Substation;
 - c. LMUD's 345 kV line protection relays at Viewland must be compatible with the Transmission Provider's SEL-421 and SEL-311L line relays at Shaffer; and

**TRANSMISSION TO TRANSMISSION INTERCONNECTION
FACILITIES STUDY
LASSEN MUNICIPAL UTILITY DISTRICT**

-
- d. LMUD must submit their intended protection and communications plan for the interconnection to the Transmission Provider for review and approval.

8. Shaffer Switching Station Communications

- a. NV Energy will design, procure and install a Remote Terminal Unit (“RTU”) and necessary communications equipment at the proposed Shaffer Switching Station;
- b. NV Energy will use the already existing communications facilities on the Alturas 345 kV line to aid protection at Shaffer Switching Station;
- c. NV Energy will install telecommunications facilities to ensure high speed fault clearing between Viewland and Shaffer stations. The two (2) geographically diverse and redundant high speed digital circuits to be installed at Shaffer Switching Station will be:
 - i. Optical Ground Wire (OPGW) on the 345 kV line; and
 - ii. Separate fiber cable, preferably underground, between Shaffer and Viewland.

9. Viewland Substation Communications

- a. NV Energy will design, procure and install a Remote Terminal Unit (“RTU”) and necessary telecommunications equipment at the proposed Viewland Substation;
- b. LMUD will provide NV Energy with room for two racks in the control enclosure at Viewland for NV Energy’s telecommunications equipment; and
- c. LMUD is responsible to make arrangements for connectivity with the local telecommunications company for a T-1 line or equivalent solely for NV Energy use for Communications, SCADA, and real time metering.

10. Metering

- a. This LMUD interconnection will create a new Balancing Authority Area (BAA) tie-line between the existing BAA #64 (Sierra) and the existing BAA #30 (PG&E). The Transmission Provider will install and maintain a new 345kV BAA meter between BAA #64 and BAA #30, within the new Shaffer 345kV switchyard; and
- a. NV Energy will design, procure and install 345 kV instrument transformers (“CT’s and PT’s”) at Shaffer Switching Station.

11. Right-of-Way, Jurisdictional and Environmental Permitting

- a. LMUD must obtain all necessary rights-of-way and permits from all federal, state, local and/or private land owners and jurisdictions for all interconnection facilities needed to accommodate this transmission to transmission interconnection including, but not limited to:
 - i. NV Energy’s substation footprint for the proposed 345 kV Shaffer Switching Station;

**TRANSMISSION TO TRANSMISSION INTERCONNECTION
FACILITIES STUDY
LASSEN MUNICIPAL UTILITY DISTRICT**

-
- ii. The Alturas #3450 345 kV line fold into the proposed 345 kV Shaffer Switching Station;
 - iii. The transmission line and tangent structure between the NV Energy owned Shaffer 345 kV Switching Station and the LMUD owned Viewland 345/60 kV Substation;
 - iv. LMUD's proposed Viewland 345/60 kV Substation; and
 - v. All access Roads to the proposed Shaffer 345 kV Switching Station and the proposed 345/60 kV Viewland Substation
 - b. The potential permits for which LMUD may be required to secure include, but are not limited to:
 - i. Environmental Impact Statement/Environmental Assessment
 - ii. Utility Environmental Protection Act Permit
 - iii. Army Corps of Engineers Water Permit
 - iv. Special Use Permit
 - v. Air, stormwater and/or grading permits
 - c. NV Energy will provide specifications needed for right-of-way and permitting applications to the Interconnection Customer for all NV Energy-owned facilities; and
 - d. LMUD will provide all right-of-way and permitting applications to the Transmission Provider for review and comment prior to submittal to the appropriate agencies.
 - e. Once the facilities have been permitted, LMUD will assign the Right of Way grant for the proposed Shaffer Switching Station over to NV Energy.

12. Contingencies:

- a. For an outage of the NVE Hilltop-Shaffer 345kV line, the Shaffer 3405 and 3406 Power Circuit Breakers will be triggered to open to prevent the potential emergency overload of the LMUD Viewland 50MVA transformer; and
- b. For an outage of the NVE Shaffer-Fort Sage 345kV line, the Shaffer 3405 and 3406 Power Circuit Breakers will be triggered to open to prevent the potential emergency overload of the LMUD Viewland 50MVA transformer and the PG&E Westwood-ULTR WSD 60kV line.

13. Affected Systems:

- a. PG&E, the California Independent System Operator (CAISO), and/or the Bonneville Power Administration (BPA) are neighboring systems and may be affected by the proposed LMUD interconnection;
- b. No Adverse System Impacts were identified on Affected Systems as a result of NV Energy's analyses of this interconnection. If Adverse System Impacts are subsequently identified by NV Energy or an Affected System, additional studies may be required;

**TRANSMISSION TO TRANSMISSION INTERCONNECTION
FACILITIES STUDY
LASSEN MUNICIPAL UTILITY DISTRICT**

-
- c. LMUD will need to coordinate with the Affected System(s) with respect to conducting any additional studies. If additional studies are required by the Affected System, LMUD will be required make arrangements with the Affected System(s) to pay the estimated costs of such studies upfront, will be responsible for the actual costs of such studies, and may be required to execute a separate agreement; and
 - d. Resolution of any issues identified by Affected Systems prior to energization of the transmission to transmission interconnection is required.

14. Good Utility Practice

- a. Interconnections must satisfy Good Utility Practice and meet all applicable industry and North American Electric Reliability Corporation (“NERC”) - Western Electricity Coordinating Council (“WECC”) planning and operating standards, guidelines, and criteria including:
 - i. NERC System Planning Performance Requirements (TPL Standards)
 - ii. WECC System Performance Criteria (TPL/WECC CRT Criterion_WECC System Operating Limits TOP-007
 - iii. WECC Procedures for Regional Planning Project Review and Rating Transmission Facilities
 - iv. WECC Remedial Action Scheme Design Guide
 - v. PRC-012—014-WECC-CRT-2, WECC Remedial Action Scheme Criteria
- b. The transmission interconnection must meet all applicable NV Energy planning, design, and operating requirements including NV Energy’s Reliability Criteria for Transmission System Planning.
- c. The Interconnection Customer is responsible to sync with the Transmission Provider’s phasing.
- d. Communications, SCADA, and real time metering are required for all transmission interconnections. NV Energy owned communications, SCADA, and metering equipment installed at facilities owned by the Interconnection Customer must have adequate lightning protection provided by the Interconnection Customer.

**TRANSMISSION TO TRANSMISSION INTERCONNECTION
FACILITIES STUDY
LASSEN MUNICIPAL UTILITY DISTRICT**

5. COST ESTIMATES

LMUD INTERCONNECTION COSTS				
No.	Project Component	Scope Description	NV Energy Upgrade \$M's	Direct Assignment Upgrade \$M's
1	Communication & Protection	Telecommunications at new Shaffer 345 kV Substation		1,520,000
2		Communication aided protection path from Shaffer to Hilltop		285,000
3		Communication aided protection path from Shaffer to Ft Sage		285,000
4		Viewland 345 kV Substation Customer Telecom		295,000
5	Lands & Environmental	Lands - Shaffer Land in Fee		40,000
6		Environmental - Shaffer permitting assistance		190,000
7	Transmission Lines	Alturas 345 kV line fold into new Shaffer Substation		990,000
8		345 kV line connection from Shaffer Sub to LMUD's Viewland Sub		198,000
9		Re-terminate 3450 345 kV line at Ft Sage	365,000	-
10	Transmission Substations	New 345 kV Shaffer Substation--includes six (6) 345 kV breakers, two (2) switchable 50 MVar bus capacitor banks, one (1) 345 kV fixed 15 MVar reactor and control enclosure		18,500,000
11		Protection Sub-Transient Switching Upgrades at Hilltop		715,000
12		Protection Sub-Transient Switching Upgrades at Ft Sage		615,000
13		Protection Sub-Transient Switching Upgrades at Bordertown		115,000
14		Relocate 345 kV Line terminal and reactors at Fort Sage	630,000	-
15	Metering	345 kV BAA Interchange Metering		235,000
16		TOTAL	995,000	23,983,000
17				
18		TOTAL PROJECT		24,978,000

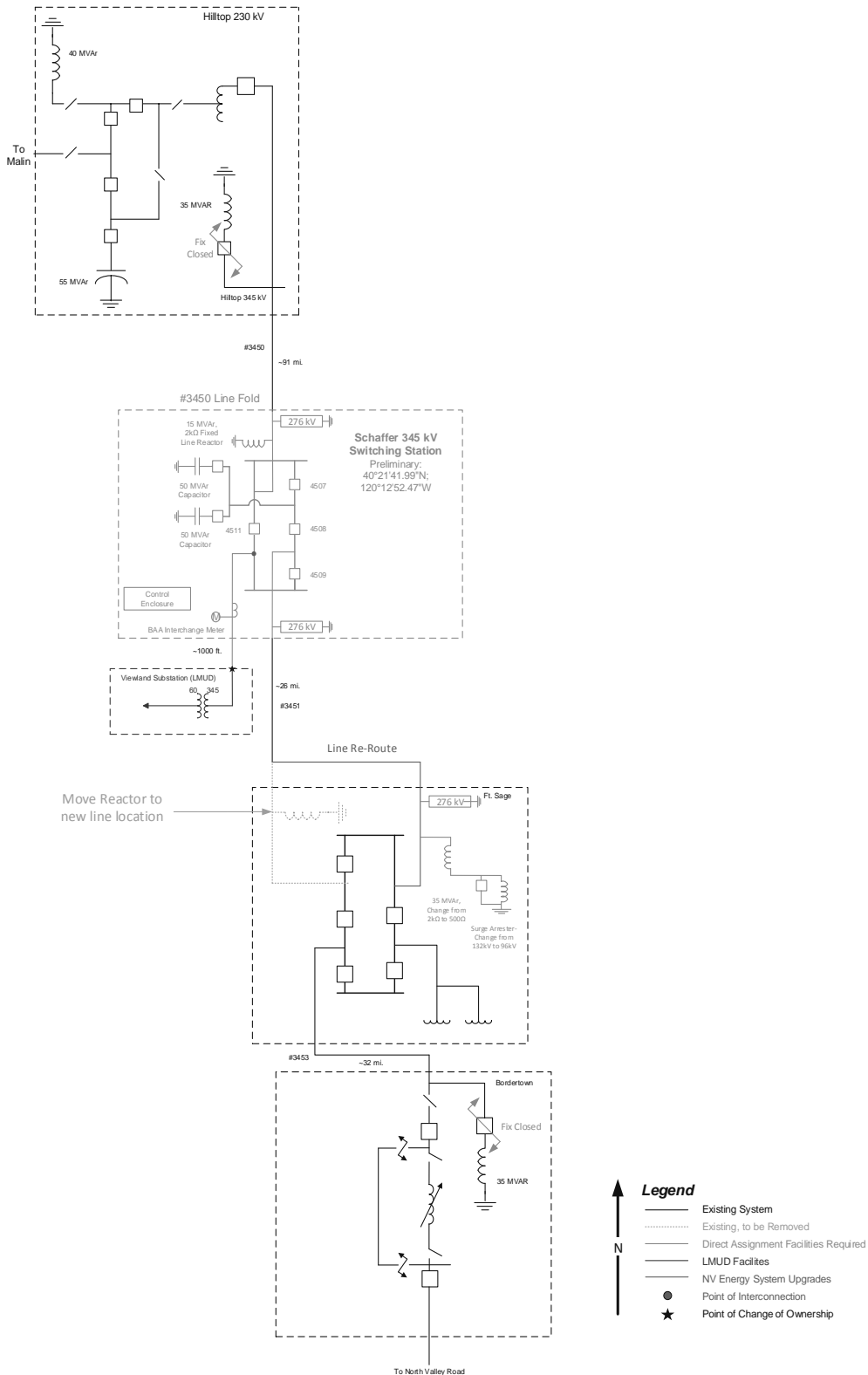
The objectives of this study are to present the approximate costs and construction schedule for the proposed transmission interconnection request. The cost estimates include the required Interconnection Facilities for this transmission interconnection request. NV Energy is also seeking to complete upgrades at NV Energy's cost for better reliability at Fort Sage, these estimates are included in the cost estimates. The estimated total cost of the Interconnection Facilities is \$23,983,000. LMUD will be required to fund the cost of the Interconnection Facilities; the payments and their timing will be driven by the various procurement and construction activities. The cost estimates provided are +/- 20%. The cost estimates are in 2016 dollars and do not include any tax gross-up. All costs will be trued up to actual costs when the project is completed.

A gross up on Contributions in Aid of Construction (CIAC) will be assessed unless the CIAC or the transfer of the intertie meets the safe harbor requirements of IRS Notice 2001-82 and IRS Notice 88-129. The CIAC gross up is not included in the above estimates. It will be computed based on the rate in effect during the projected quarter that the project will be in-service and will be collected under the milestones of the applicable agreement.

6. TIME TO CONSTRUCT

NV Energy has completed a preliminary schedule. Based on when NV Energy anticipates LMUD having the appropriate permits and the time for procurement and construction, NV Energy anticipates that the project will be in-service approximately two and a half to three years after a contract has been executed. Approximately a Q1 2020 in-service date.

APPENDIX A
One-Line Diagram



Preliminary
Not to Scale

Lassen Municipal Utility District
Shaffer Interconnection
CONCEPTUAL ONE-LINE
Updated November 2016

CONTRACTUAL ONE-LINE DIAGRAM:
This diagram is for contractual use only including graphic representation of Interconnection Facility responsibility and ownership. This diagram shall not be used for engineering design purposes.

TRAN-7



Bighorn 230/69 kV Transformer System Upgrade Project Document

1. Problem Statement

Location: Goodsprings – Jean – Oasis 69 kV Line

Voltage: 69 kV

Condition:

All (Radial Line)

Cause:

Fault on any part of the Arden – Good Springs – Jean – Oasis 69 kV line (~33 mi)

Effect:

Loss of load and generation at Good Springs, Jean, and Oasis (Primm)

Additional information:

Clark County has proposed a new airport in the area. Increased reliability and terminals could encourage growth in the area.

<i>Date</i>	<i>Document Update Notes</i>
12/26/2018	Initial PD drafted
12/28/2018	Minor edits to scope

Contents

1. Problem Statement.....	1
2. System Upgrade Worksheet	3
Historical Data and Background.....	3
Transient Model Results	3
Additional Considerations.....	3
Proposed Mitigation	3
3. Project Portfolio Document Template.....	4
Project Title:.....	4
Planning In-Service:.....	4
Scope(s):.....	4
Executive Summary:.....	4
Background:	4
Justification:	4
Project Risk Factor:	4
Alternatives:.....	4
Non-Wire Alternatives:	5
Benefits:	5
Appendix A: Maps.....	6
Appendix B: One Line Diagram	8



2. System Upgrade Worksheet

Historical Data and Background

The Arden – Good Springs – Jean – Oasis 69 kV line serves approximately 21 MW of load during peak including several TQS customers (Buffalo Bill's Casino, Whisky Pete's Casino, Clark County Department of Aviation, Letica Corporation, Nevada Department of Corrections, and Southern Nevada Correctional Center). The Good Springs Heat Recovery generation station is also interconnected on the line.

The ~33 mile 69 kV line is radially fed from Arden and suffers from poor reliability. In 2017, the three load serving substations on the line (Goodsprings, Jean, and Oasis) accounted for over 3,000 customer outage hours. The line is in an area prone to high winds and microbursts that have the potential to trigger multiple day outages to restore power to Jean and Primm.

Construction of a second source to the area has been contemplated for many years. However, the limited natural load growth has discouraged investment.

Transient Model Results

Not applicable for this study

Additional Considerations

Clark County has contemplated constructing an airport in the area, but currently does not have active permitting for the project underway. The area has become a popular location for solar development.

The 1203 Oasis circuit runs to Higgins generation to provide station service. This circuit could be used to provide back-up service to Primm if a 230/12.47 transformer were installed at Higgins.

Proposed Mitigation

The Transmission Planning proposed mitigation for the radial line reliability risk is to construct a new 69 kV line from Big Horn to Oasis Substation including a new 230/69 kV transformer at Big Horn substation, a new 3-breaker ring at Oasis Substation, and either a motor operated switch on the Arden side of the 69 kV line (either at Jean or Goodsprings) or add 2 breakers to Jean 69 kV substation.



3. Project Portfolio Document Template

Project Title:

Bighorn-Oasis 69kV Transmission Line

Planning In-Service:

12/31/2020

Scope(s):

- Construct a new, ~5-6 mile, 3-954 AA 69 kV line from Big Horn to Oasis Substation
- New 230/69 kV autotransformer at Big Horn substation, associated bus work and one (1) new 230 breaker and one (1) 69 kV breaker
- New 69 kV 3-breaker ring at Oasis Substation
- Installation of a 69/12.47 kV transformer at Big Horn to provide a secondary distribution source to the Oasis 1203 distribution circuit
- A new motor operated switch on the Arden side of the 69 kV line (either at Jean or Goodsprings)
- Associated telecommunications (fiber extensions), land rights, permitting, and protection equipment

Executive Summary:

Construct a new, ~5-6 mile, 69 kV line from Big Horn to Oasis and install a new 230/69 kV transformer at Big Horn substation to provide a second source to Oasis, Jean, and Goodsprings substations.

Background:

The Arden – Good Springs – Jean – Oasis 69 kV line serves approximately 21 MW of load during peak including several (6) TQS customers. The Good Springs Heat Recovery generation station is also interconnected on the line.

Construction of a second source to the area has been contemplated for many years. However, the limited natural load growth has discouraged investment.

Justification:

The ~33 mile 69 kV line is radially fed from Arden and suffers from poor reliability. In 2017, the three load serving substations on the line (Goodsprings, Jean, and Oasis) accounted for over 3,000 customer outage hours. The line is in an area prone to high winds and microbursts that have the potential to trigger multiple day outages to restore power to Jean and Primm.

Additional growth in the area, specifically a new Clark County Airport could be encouraged with increased reliability performance.

Project Risk Factor:

The 69 kV line will need to traverse BLM and Clark County land between Big Horn and Oasis substations. Permitting requirements for the line should be investigated and started at the inception of the project to minimize potential delays.

Alternatives:

Construct a new 230/69 kV substation at/near Jean or Goodsprings and fold in one of the Big Horn – Arden 230 kV lines. This option is a possible back-up plan if the 69 kV line cannot be permitted within an



adequate timeframe. The best engineering solution is to connect the new source at Oasis where a majority of the area load is served. However, connecting at Jean or Goodsprings will provide similar reliability improvement.

Non-Wire Alternatives:

This project failed the Critical Suitability Criteria Screening A: "Constraint anticipated to occur between January 1, 2020 and December 31, 2025." The constraint exists on the current system with the current load forecast.

Benefits:

Significantly reduce outage exposure to 20 MW of load including six TQS customers whom are currently served by a long, radial line. Furthermore, the project will provide instant back-up capability in the event outage.

The project may also encourage growth in the area due to increased reliability.



Figure 1: Area Map: Arden – Goodsprings – Jean – Oasis 69 kv Line (Brown). 230 kv Arden – Big Horn 230 kv Lines #1 and #2 in (Blue)

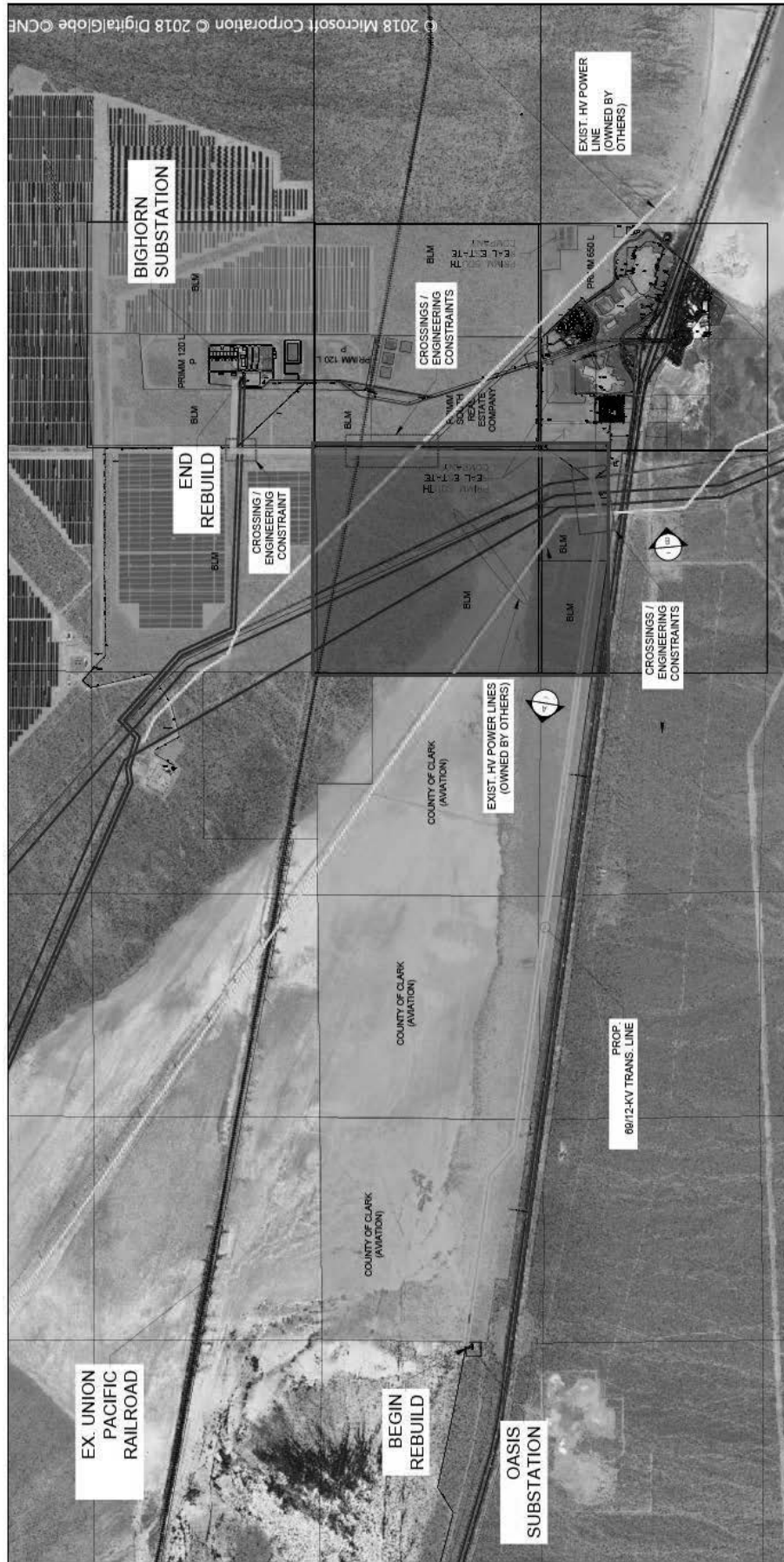
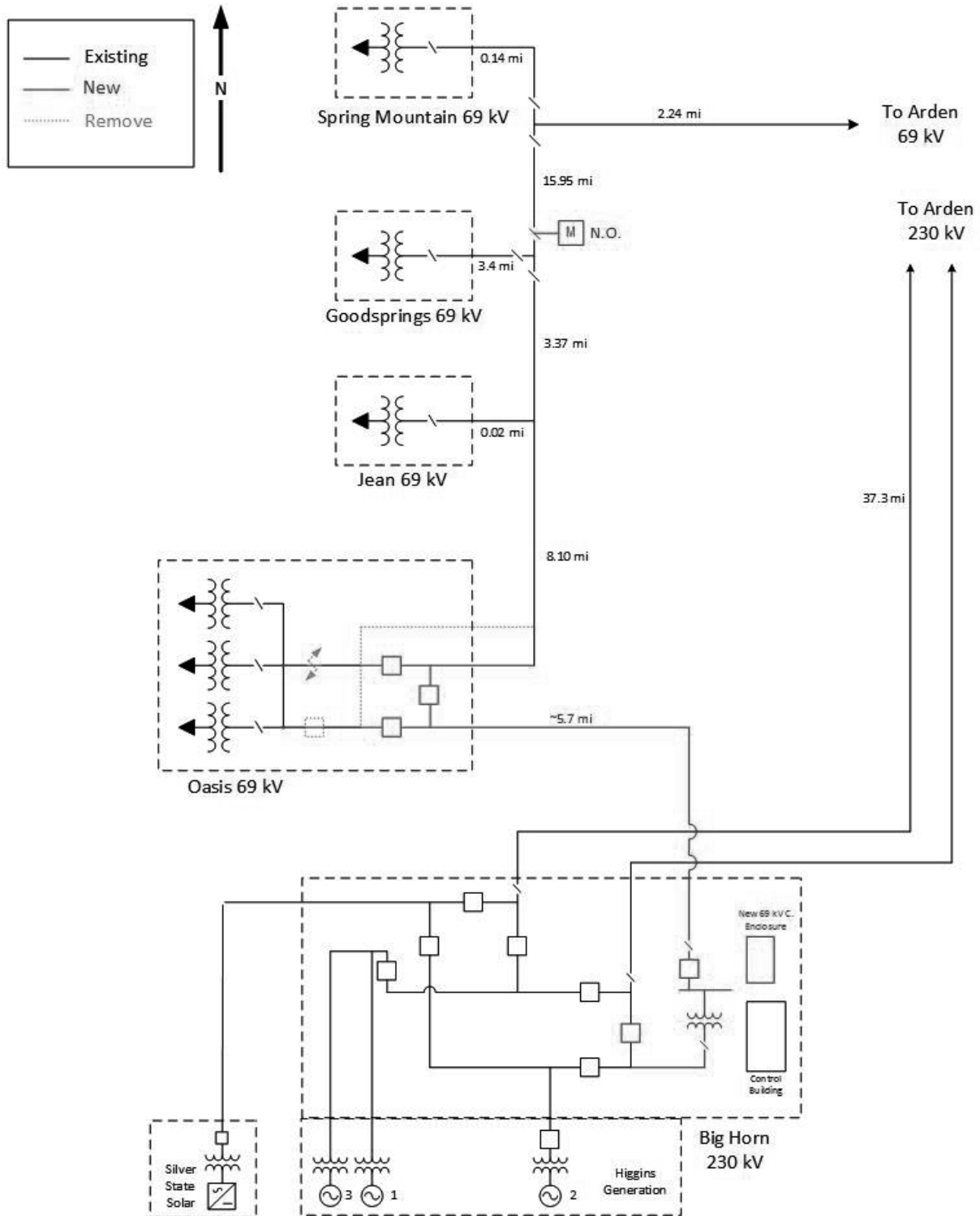


Figure 2: Preliminary proposed Big Horn - Oasis 69kV Line Route (Yellow)

Appendix B: One Line Diagram



TRAN-8

**STANDARD SMALL GENERATOR
INTERCONNECTION AGREEMENT (SGIA)**

SERVICE AGREEMENT #17-00050

Between

SIERRA PACIFIC POWER COMPANY
d/b/a
NV ENERGY

And

ORNI 16 LLC

Date: 12/22/2017

Table of Contents:
Small Generator Interconnection Agreement (SGIA)

Article 1. Scope and Limitations of Agreement 1

1.1 Applicability 1

1.2 Purpose..... 1

1.3 No Agreement to Purchase or Deliver Power..... 1

1.4 Limitations 1

1.5 Responsibilities of the Parties 2

1.6 Parallel Operation Obligations..... 2

1.7 Metering..... 3

1.8 Reactive Power 3

1.9 Capitalized Terms 3

Article 2. Inspection, Testing, Authorization, and Right of Access 3

2.1 Equipment Testing and Inspection..... 3

2.2 Authorization Required Prior to Parallel Operation 4

2.3 Right of Access 4

Article 3. Effective Date, Term, Termination, and Disconnection 5

3.1 Effective Date 5

3.2 Term of Agreement..... 5

3.3 Termination..... 5

3.4 Temporary Disconnection..... 5

Article 4. Cost Responsibility for Interconnection Facilities and Distribution Upgrades 7

4.1 Interconnection Facilities..... 7

4.2 Distribution Upgrades 7

Article 5. Cost Responsibility for Network Upgrades 8

5.1 Applicability 8

5.2 Network Upgrades 8

5.3 Special Provisions for Affected Systems 9

5.4 Rights Under Other Agreements..... 9

Article 6. Billing, Payment, Milestones, and Financial Security 9

6.1 Billing and Payment Procedures and Final Accounting 9

6.2 Milestones	10
6.3 Financial Security Arrangements.....	10
Article 7. Assignment, Liability, Indemnity, Force Majeure, Consequential Damages, and Default.....	11
7.1 Assignment	11
7.2 Limitation of Liability.....	11
7.3 Indemnity	11
7.4 Consequential Damages.....	12
7.5 Force Majeure	12
Article 8. Insurance	13
Article 9. Confidentiality	14
Article 10. Disputes.....	15
Article 11. Taxes.....	15
Article 12. Miscellaneous	15
12.1 Governing Law, Regulatory Authority, and Rules	15
12.2 Amendment.....	15
12.3 No Third-Party Beneficiaries	15
12.4 Waiver.....	16
12.5 Entire Agreement	16
12.6 Multiple Counterparts	16
12.7 No Partnership	16
12.8 Severability	16
12.9 Security Arrangements.....	16
12.10 Environmental Releases.....	17
12.11 Subcontractors.....	17
12.12 Reservation of Rights.....	17
Article 13. Notices	18
13.1 General.....	18
13.2 Billing and Payment.....	18
13.3 Alternative Forms of Notice	19
13.4 Designated Operating Representative.....	19
13.5 Changes to the Notice Information	20

Article 14. Signatures.....	20
SGIA Attachment 1: Glossary of Terms.....	21
SGIA Attachment 2: Description and Costs of the Small Generating Facility, Interconnection Facilities, and Metering Equipment.....	24
SGIA Attachment 3: One-line Diagram Depicting the Small Generating Facility, Interconnection Facilities, Metering Equipment, and Upgrades.....	34
SGIA Attachment 4: Milestones.....	36
SGIA Attachment 5: Additional Operating Requirements for the Transmission Provider's Transmission System and Affected Systems Needed to Support the Interconnection Customer's Needs	38
SGIA Attachment 6: Transmission Provider's Description of its Upgrades and Best Estimate of Upgrade Costs	43

This Interconnection Agreement (“Agreement”) is made and entered into this ____ day of _____, 2017, by Sierra Pacific Power d/b/a NV Energy (“Transmission Provider”), and _____ (“Interconnection Customer”) each hereinafter sometimes referred to individually as “Party” or both referred to collectively as the “Parties.”

Transmission Provider Information

Transmission Provider: Sierra Pacific Power Company d/b/a NV Energy _____
 Attention: Manager, Transmission Business Services _____
 Address: 6100 Neil Road _____
 City: Reno _____ State: NV Zip: 89521 _____
 Phone: 775-834-4802 _____ Fax: 775-834-3047 _____

Interconnection Customer Information

Interconnection Customer: ORNI 16 LLC
 Attention: CEO
 Address: 6225 Neil Road
 City: Reno _____ State: NV Zip: 89511
 Phone: (775) 356-9029 _____ Fax: (775) 356-9039

Interconnection Customer Application No: HJ

In consideration of the mutual covenants set forth herein, the Parties agree as follows:

Article 1. Scope and Limitations of Agreement

1.1 Applicability

This Agreement shall be used for all Completed Interconnection Requests submitted under the Small Generator Interconnection Procedures (SGIP) except for those submitted under the 10 kW Inverter Process contained in SGIP Attachment 5.

1.2 Purpose

This Agreement governs the terms and conditions under which the Interconnection Customer’s Small Generating Facility will interconnect with, and operate in parallel with, the Transmission Provider’s Transmission System.

1.3 No Agreement to Purchase or Deliver Power

This Agreement does not constitute an agreement to purchase or deliver the Interconnection Customer’s power. The purchase or delivery of power and other services that the Interconnection Customer may require will be covered under separate agreements. The Interconnection Customer will be responsible for separately making all necessary arrangements (including scheduling) for delivery of electricity with the applicable Transmission Provider.

1.4 Limitations

Nothing in this Agreement is intended to affect any other agreement between the Transmission Provider and the Interconnection Customer.

1.5 Responsibilities of the Parties

- 1.5.1** The Parties shall perform all obligations of this Agreement in accordance with all Applicable Laws and Regulations, Operating Requirements, and Good Utility Practice.
- 1.5.2** The Interconnection Customer shall construct, interconnect, operate and maintain its Small Generating Facility and construct, operate, and maintain its Interconnection Facilities in accordance with the applicable manufacturer's recommended maintenance schedule, in accordance with this Agreement, and with Good Utility Practice.
- 1.5.3** The Transmission Provider shall construct, operate, and maintain its Transmission System and Interconnection Facilities in accordance with this Agreement, and with Good Utility Practice.
- 1.5.4** The Interconnection Customer agrees to construct its facilities or systems in accordance with applicable specifications that meet or exceed those provided by the National Electrical Safety Code, the American National Standards Institute, IEEE, Underwriter's Laboratory, and Operating Requirements in effect at the time of construction and other applicable national and state codes and standards. The Interconnection Customer agrees to design, install, maintain, and operate its Small Generating Facility so as to reasonably minimize the likelihood of a disturbance adversely affecting or impairing the system or equipment of the Transmission Provider or Affected Systems.
- 1.5.5** Each Party shall operate, maintain, repair, and inspect, and shall be fully responsible for the facilities that it now or subsequently may own unless otherwise specified in the Attachments to this Agreement. Each Party shall be responsible for the safe installation, maintenance, repair and condition of their respective lines and appurtenances on their respective sides of the point of change of ownership. The Transmission Provider and the Interconnection Customer, as appropriate, shall provide Interconnection Facilities that adequately protect the Transmission Provider's Transmission System, personnel, and other persons from damage and injury. The allocation of responsibility for the design, installation, operation, maintenance and ownership of Interconnection Facilities shall be delineated in the Attachments to this Agreement.
- 1.5.6** The Transmission Provider shall coordinate with all Affected Systems to support the interconnection.

1.6 Parallel Operation Obligations

Once the Small Generating Facility has been authorized to commence parallel operation, the Interconnection Customer shall abide by all rules and procedures pertaining to the parallel operation of the Small Generating Facility in the applicable control area, including, but not limited to; 1) the rules and procedures concerning the operation of generation set forth in the Tariff or by the system operator for the Transmission Provider's Transmission System and; 2) the Operating Requirements set forth in Attachment 5 of this Agreement.

1.7 Metering

The Interconnection Customer shall be responsible for the Transmission Provider's reasonable and necessary cost for the purchase, installation, operation, maintenance, testing, repair, and replacement of metering and data acquisition equipment specified in Attachments 2 and 3 of this Agreement. The Interconnection Customer's metering (and data acquisition, as required) equipment shall conform to applicable industry rules and Operating Requirements.

1.8 Reactive Power

1.8.1 The Interconnection Customer shall design its Small Generating Facility to maintain a composite power delivery at continuous rated power output at the Point of Interconnection at a power factor within the range of 0.95 leading to 0.95 lagging, unless the Transmission Provider has established different requirements that apply to all similarly situated generators in the control area on a comparable basis. The requirements of this paragraph shall not apply to wind generators.

1.8.2 The Transmission Provider is required to pay the Interconnection Customer for reactive power that the Interconnection Customer provides or absorbs from the Small Generating Facility when the Transmission Provider requests the Interconnection Customer to operate its Small Generating Facility outside the range specified in Article 1.8.1. In addition, if the Transmission Provider pays its own or affiliated generators for reactive power Service within the specified range, it must also pay the Interconnection Customer.

1.8.3 Payments shall be in accordance with the Interconnection Customer's applicable rate schedule then in effect unless the provision of such service(s) is subject to a regional transmission organization or independent system operator FERC-approved rate schedule. To the extent that no rate schedule is in effect at the time the Interconnection Customer is required to provide or absorb reactive power under this Agreement, the Parties agree to expeditiously file such rate schedule and agree to support any request for waiver of the Commission's prior notice requirement in order to compensate the Interconnection Customer from the time service commenced.

1.9 Capitalized Terms

Capitalized terms used herein shall have the meanings specified in the Glossary of Terms in Attachment 1 or the body of this Agreement.

Article 2. Inspection, Testing, Authorization, and Right of Access**2.1 Equipment Testing and Inspection**

2.1.1 The Interconnection Customer shall test and inspect its Small Generating Facility and Interconnection Facilities prior to interconnection. The Interconnection Customer shall notify the Transmission Provider of such activities no fewer than five Business Days (or as may be agreed to by the Parties) prior to such testing and inspection. Testing and inspection shall occur on a Business Day. The Transmission Provider may, at its own

expense, send qualified personnel to the Small Generating Facility site to inspect the interconnection and observe the testing. The Interconnection Customer shall provide the Transmission Provider a written test report when such testing and inspection is completed.

- 2.1.2** The Transmission Provider shall provide the Interconnection Customer written acknowledgment that it has received the Interconnection Customer's written test report. Such written acknowledgment shall not be deemed to be or construed as any representation, assurance, guarantee, or warranty by the Transmission Provider of the safety, durability, suitability, or reliability of the Small Generating Facility or any associated control, protective, and safety devices owned or controlled by the Interconnection Customer or the quality of power produced by the Small Generating Facility.

2.2 Authorization Required Prior to Parallel Operation

- 2.2.1** The Transmission Provider shall use Reasonable Efforts to list applicable parallel operation requirements in Attachment 5 of this Agreement. Additionally, the Transmission Provider shall notify the Interconnection Customer of any changes to these requirements as soon as they are known. The Transmission Provider shall make Reasonable Efforts to cooperate with the Interconnection Customer in meeting requirements necessary for the Interconnection Customer to commence parallel operations by the in-service date.

- 2.2.2** The Interconnection Customer shall not operate its Small Generating Facility in parallel with the Transmission Provider's Transmission System without prior written authorization of the Transmission Provider. The Transmission Provider will provide such authorization once the Transmission Provider receives notification that the Interconnection Customer has complied with all applicable parallel operation requirements. Such authorization shall not be unreasonably withheld, conditioned, or delayed.

2.3 Right of Access

- 2.3.1** Upon reasonable notice, the Transmission Provider may send a qualified person to the premises of the Interconnection Customer at or immediately before the time the Small Generating Facility first produces energy to inspect the interconnection, and observe the commissioning of the Small Generating Facility (including any required testing), startup, and operation for a period of up to three Business Days after initial start-up of the unit. In addition, the Interconnection Customer shall notify the Transmission Provider at least five Business Days prior to conducting any on-site verification testing of the Small Generating Facility.

- 2.3.2** Following the initial inspection process described above, at reasonable hours, and upon reasonable notice, or at any time without notice in the event of an emergency or hazardous condition, the Transmission Provider shall have access to the Interconnection Customer's premises for any reasonable purpose in connection with the performance of the obligations imposed on it by this

Agreement or if necessary to meet its legal obligation to provide service to its customers.

- 2.3.3** Each Party shall be responsible for its own costs associated with following this article.

Article 3. Effective Date, Term, Termination, and Disconnection

3.1 Effective Date

This Agreement shall become effective upon execution by the Parties subject to acceptance by FERC (if applicable), or if filed unexecuted, upon the date specified by the FERC. The Transmission Provider shall promptly file this Agreement with the FERC upon execution, if required.

3.2 Term of Agreement

This Agreement shall become effective on the Effective Date and shall remain in effect for a period of ten years from the Effective Date or such other longer period as the Interconnection Customer may request and shall be automatically renewed for each successive one-year period thereafter, unless terminated earlier in accordance with Article 3.3 of this Agreement.

3.3 Termination

No termination shall become effective until the Parties have complied with all Applicable Laws and Regulations applicable to such termination, including the filing with FERC of a notice of termination of this Agreement (if required), which notice has been accepted for filing by FERC.

- 3.3.1** The Interconnection Customer may terminate this Agreement at any time by giving the Transmission Provider 20 Business Days written notice.

- 3.3.2** Either Party may terminate this Agreement after Default pursuant to Article 7.6.

- 3.3.3** Upon termination of this Agreement, the Small Generating Facility will be disconnected from the Transmission Provider's Transmission System. The termination of this Agreement shall not relieve either Party of its liabilities and obligations, owed or continuing at the time of the termination.

- 3.3.4** This provisions of this article shall survive termination or expiration of this Agreement.

3.4 Temporary Disconnection

Temporary disconnection shall continue only for so long as reasonably necessary under Good Utility Practice.

3.4.1 Emergency Conditions

"Emergency Condition" shall mean a condition or situation: (1) that in the judgment of the Party making the claim is imminently likely to endanger life or property; or (2) that, in the case of the Transmission Provider, is imminently likely (as determined in a non-discriminatory manner) to cause a material adverse effect on the security of, or damage to the Transmission

System, the Transmission Provider's Interconnection Facilities or the Transmission Systems of others to which the Transmission System is directly connected; or (3) that, in the case of the Interconnection Customer, is imminently likely (as determined in a non-discriminatory manner) to cause a material adverse effect on the security of, or damage to, the Small Generating Facility or the Interconnection Customer's Interconnection Facilities. Under Emergency Conditions, the Transmission Provider may immediately suspend interconnection service and temporarily disconnect the Small Generating Facility. The Transmission Provider shall notify the Interconnection Customer promptly when it becomes aware of an Emergency Condition that may reasonably be expected to affect the Interconnection Customer's operation of the Small Generating Facility. The Interconnection Customer shall notify the Transmission Provider promptly when it becomes aware of an Emergency Condition that may reasonably be expected to affect the Transmission Provider's Transmission System or other Affected Systems. To the extent information is known, the notification shall describe the Emergency Condition, the extent of the damage or deficiency, the expected effect on the operation of both Parties' facilities and operations, its anticipated duration, and the necessary corrective action.

3.4.2 Routine Maintenance, Construction, and Repair

The Transmission Provider may interrupt interconnection service or curtail the output of the Small Generating Facility and temporarily disconnect the Small Generating Facility from the Transmission Provider's Transmission System when necessary for routine maintenance, construction, and repairs on the Transmission Provider's Transmission System. The Transmission Provider shall provide the Interconnection Customer with five Business Days notice prior to such interruption. The Transmission Provider shall use Reasonable Efforts to coordinate such reduction or temporary disconnection with the Interconnection Customer.

3.4.3 Forced Outages

During any forced outage, the Transmission Provider may suspend interconnection service to effect immediate repairs on the Transmission Provider's Transmission System. The Transmission Provider shall use Reasonable Efforts to provide the Interconnection Customer with prior notice. If prior notice is not given, the Transmission Provider shall, upon request, provide the Interconnection Customer written documentation after the fact explaining the circumstances of the disconnection.

3.4.4 Adverse Operating Effects

The Transmission Provider shall notify the Interconnection Customer as soon as practicable if, based on Good Utility Practice, operation of the Small Generating Facility may cause disruption or deterioration of service to other customers served from the same electric system, or if operating the Small Generating Facility could cause damage to the Transmission Provider's Transmission System or Affected Systems. Supporting documentation used to reach the decision to disconnect shall be provided to the Interconnection

Customer upon request. If, after notice, the Interconnection Customer fails to remedy the adverse operating effect within a reasonable time, the Transmission Provider may disconnect the Small Generating Facility. The Transmission Provider shall provide the Interconnection Customer with five Business Day notice of such disconnection, unless the provisions of Article 3.4.1 apply.

3.4.5 Modification of the Small Generating Facility

The Interconnection Customer must receive written authorization from the Transmission Provider before making any change to the Small Generating Facility that may have a material impact on the safety or reliability of the Transmission System. Such authorization shall not be unreasonably withheld. Modifications shall be done in accordance with Good Utility Practice. If the Interconnection Customer makes such modification without the Transmission Provider's prior written authorization, the latter shall have the right to temporarily disconnect the Small Generating Facility.

3.4.6 Reconnection

The Parties shall cooperate with each other to restore the Small Generating Facility, Interconnection Facilities, and the Transmission Provider's Transmission System to their normal operating state as soon as reasonably practicable following a temporary disconnection.

Article 4. Cost Responsibility for Interconnection Facilities and Distribution Upgrades

4.1 Interconnection Facilities

4.1.1 The Interconnection Customer shall pay for the cost of the Interconnection Facilities itemized in Attachment 2 of this Agreement. The Transmission Provider shall provide a best estimate cost, including overheads, for the purchase and construction of its Interconnection Facilities and provide a detailed itemization of such costs. Costs associated with Interconnection Facilities may be shared with other entities that may benefit from such facilities by agreement of the Interconnection Customer, such other entities, and the Transmission Provider.

4.1.2 The Interconnection Customer shall be responsible for its share of all reasonable expenses, including overheads, associated with (1) owning, operating, maintaining, repairing, and replacing its own Interconnection Facilities, and (2) operating, maintaining, repairing, and replacing the Transmission Provider's Interconnection Facilities.

4.2 Distribution Upgrades

The Transmission Provider shall design, procure, construct, install, and own the Distribution Upgrades described in Attachment 6 of this Agreement. If the Transmission Provider and the Interconnection Customer agree, the Interconnection Customer may construct Distribution Upgrades that are located on land owned by the Interconnection Customer. The actual cost of the Distribution Upgrades, including overheads, shall be directly assigned to the Interconnection Customer.

Article 5. Cost Responsibility for Network Upgrades

5.1 Applicability

No portion of this article 5 shall apply unless the interconnection of the Small Generating Facility requires Network Upgrades.

5.2 Network Upgrades

The Transmission Provider or the Transmission Owner shall design, procure, construct, install, and own the Network Upgrades described in Attachment 6 of this Agreement. If the Transmission Provider and the Interconnection Customer agree, the Interconnection Customer may construct Network Upgrades that are located on land owned by the Interconnection Customer. Unless the Transmission Provider elects to pay for Network Upgrades, the actual cost of the Network Upgrades, including overheads, shall be borne initially by the Interconnection Customer.

5.2.1 Repayment of Amounts Advanced for Network Upgrades

The Interconnection Customer shall be entitled to a cash repayment, equal to the total amount paid to the Transmission Provider and Affected System operator, if any, for Network Upgrades, including any tax gross-up or other tax-related payments associated with the Network Upgrades, and not otherwise refunded to the Interconnection Customer, to be paid to the Interconnection Customer on a dollar-for-dollar basis for the non-usage sensitive portion of transmission charges, as payments are made under the Transmission Provider's Tariff and Affected System's Tariff for transmission services with respect to the Small Generating Facility. Any repayment shall include interest calculated in accordance with the methodology set forth in FERC's regulations at 18 CFR § 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. The Interconnection Customer may assign such repayment rights to any person.

5.2.1.1 Notwithstanding the foregoing, the Interconnection Customer, the Transmission Provider, and Affected System operator may adopt any alternative payment schedule that is mutually agreeable so long as the Transmission Provider and Affected System operator take one of the following actions no later than five years from the Commercial Operation Date: (1) return to the Interconnection Customer any amounts advanced for Network Upgrades not previously repaid, or (2) declare in writing that the Transmission Provider or Affected System operator will continue to provide payments to the 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.

5.2.1.2 If the Small Generating Facility fails to achieve commercial operation, but it or another generating facility is later constructed and requires use of the Network Upgrades, the Transmission Provider and Affected System operator shall at that time reimburse the Interconnection Customer for the amounts advanced for the Network Upgrades. 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.

5.3 Special Provisions for Affected Systems

Unless the Transmission Provider provides, under this Agreement, for the repayment of amounts advanced to Affected System operator for Network Upgrades, the 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 the Interconnection Customer to Affected System operator as well as the repayment by Affected System operator.

5.4 Rights Under Other Agreements

Notwithstanding any other provision of this Agreement, nothing herein shall be construed as relinquishing or foreclosing any rights, including but not limited to firm transmission rights, capacity rights, transmission congestion rights, or transmission credits, that the 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 Small Generating Facility.

Article 6. Billing, Payment, Milestones, and Financial Security

6.1 Billing and Payment Procedures and Final Accounting

6.1.1 The Transmission Provider shall bill the Interconnection Customer for the design, engineering, construction, and procurement costs of Interconnection Facilities and Upgrades contemplated by this Agreement on a monthly basis, or as otherwise agreed by the Parties. The Interconnection Customer shall pay each bill within 30 calendar days of receipt, or as otherwise agreed to by the Parties.

6.1.2 Within three months of completing the construction and installation of the Transmission Provider's Interconnection Facilities and/or Upgrades described in the Attachments to this Agreement, the Transmission Provider shall provide the Interconnection Customer with a final accounting report of any difference between (1) the Interconnection Customer's cost responsibility for the actual cost of such facilities or Upgrades, and (2) the Interconnection Customer's previous aggregate payments to the Transmission Provider for such facilities or Upgrades. If the Interconnection Customer's cost responsibility exceeds its previous aggregate payments, the Transmission Provider shall invoice the Interconnection Customer for the amount due and the Interconnection

Customer shall make payment to the Transmission Provider within 30 calendar days. If the Interconnection Customer's previous aggregate payments exceed its cost responsibility under this Agreement, the Transmission Provider shall refund to the Interconnection Customer an amount equal to the difference within 30 calendar days of the final accounting report.

6.2 Milestones

The Parties shall agree on milestones for which each Party is responsible and list them in Attachment 4 of this Agreement. A Party's obligations under this provision may be extended by agreement. If a Party anticipates that it will be unable to meet a milestone for any reason other than a Force Majeure Event, it shall immediately notify the other Party of the reason(s) for not meeting the milestone and (1) propose the earliest reasonable alternate date by which it can attain this and future milestones, and (2) requesting appropriate amendments to Attachment 4. The Party affected by the failure to meet a milestone shall not unreasonably withhold agreement to such an amendment unless it will suffer significant uncompensated economic or operational harm from the delay, (2) attainment of the same milestone has previously been delayed, or (3) it has reason to believe that the delay in meeting the milestone is intentional or unwarranted notwithstanding the circumstances explained by the Party proposing the amendment.

6.3 Financial Security Arrangements

At least 20 Business Days prior to the commencement of the design, procurement, installation, or construction of a discrete portion of the Transmission Provider's Interconnection Facilities and Upgrades, the Interconnection Customer shall provide the Transmission Provider, at the Interconnection Customer's option, a guarantee, a surety bond, letter of credit or other form of security that is reasonably acceptable to the Transmission Provider and is consistent with the Uniform Commercial Code of the jurisdiction where the Point of Interconnection is located. Such security for payment shall be in an amount sufficient to cover the costs for constructing, designing, procuring, and installing the applicable portion of the Transmission Provider's Interconnection Facilities and Upgrades and shall be reduced on a dollar-for-dollar basis for payments made to the Transmission Provider under this Agreement during its term. In addition:

- 6.3.1** The guarantee must be made by an entity that meets the creditworthiness requirements of the Transmission Provider, and contain terms and conditions that guarantee payment of any amount that may be due from the Interconnection Customer, up to an agreed-to maximum amount.
- 6.3.2** The letter of credit or surety bond must be issued by a financial institution or insured reasonably acceptable to the Transmission Provider and must specify a reasonable expiration date.

Article 7. Assignment, Liability, Indemnity, Force Majeure, Consequential Damages, and Default**7.1 Assignment**

This Agreement may be assigned by either Party upon 15 Business Days prior written notice and opportunity to object by the other Party; provided that:

7.1.1 Either Party may assign this Agreement without the consent of the other Party to any affiliate of the assigning Party with an equal or greater credit rating and with the legal authority and operational ability to satisfy the obligations of the assigning Party under this Agreement;

7.1.2 The Interconnection Customer shall have the right to assign this Agreement, without the consent of the Transmission Provider, for collateral security purposes to aid in providing financing for the Small Generating Facility, provided that the Interconnection Customer will promptly notify the Transmission Provider of any such assignment.

7.1.3 Any attempted assignment that violates this article is void and ineffective. Assignment shall not relieve a Party of its obligations, nor shall a Party's obligations be enlarged, in whole or in part, by reason thereof. An assignee is responsible for meeting the same financial, credit, and insurance obligations as the Interconnection Customer. Where required, consent to assignment will not be unreasonably withheld, conditioned or delayed.

7.2 Limitation of Liability

Each Party's liability to the other Party for any loss, cost, claim, injury, liability, or expense, including reasonable attorney's fees, relating to or arising from any act or omission in its performance of this Agreement, shall be limited to the amount of direct damage actually incurred. In no event shall either Party be liable to the other Party for any indirect, special, consequential, or punitive damages, except as authorized by this Agreement.

7.3 Indemnity

7.3.1 This provision protects each Party from liability incurred to third parties as a result of carrying out the provisions of this Agreement. Liability under this provision is exempt from the general limitations on liability found in Article 7.2.

7.3.2 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 failure to meet its obligations under this Agreement on behalf of the indemnifying Party, except in cases of gross negligence or intentional wrongdoing by the indemnified Party.

7.3.3 If an indemnified person is entitled to indemnification under this article as a result of a claim by a third party, and the indemnifying Party fails, after notice and reasonable opportunity to proceed under this article, 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.

7.3.4 If an indemnifying party is obligated to indemnify and hold any indemnified person harmless under this article, the amount owing to the indemnified person shall be the amount of such indemnified person's actual loss, net of any insurance or other recovery.

7.3.5 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 this article 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.

7.4 Consequential Damages

Other than as expressly provided for in this Agreement, neither Party shall be liable under any provision of this Agreement for any losses, damages, costs or expenses for any special, indirect, incidental, consequential, or punitive damages, including but not limited to loss of profit or revenue, loss of the use of equipment, cost of capital, cost of temporary equipment or services, whether based in whole or in part in contract, in tort, including negligence, strict liability, or any other theory of liability; provided, however, that damages for which a Party may be liable to the other Party under another agreement will not be considered to be special, indirect, incidental, or consequential damages hereunder.

7.5 Force Majeure

7.5.1 As used in this article, a Force Majeure Event shall mean "any act of God, labor disturbance, act of the public enemy, war, insurrection, riot, fire, storm or flood, explosion, breakage or accident to machinery or equipment, any order, regulation or restriction imposed by governmental, military or lawfully established civilian authorities, or any other cause beyond a Party's control. A Force Majeure Event does not include an act of negligence or intentional wrongdoing."

7.5.2 If a Force Majeure Event prevents a Party from fulfilling any obligations under this Agreement, the Party affected by the Force Majeure Event (Affected Party) shall promptly notify the other Party, either in writing or via the telephone, of the existence of the Force Majeure Event. The notification must specify in reasonable detail the circumstances of the Force Majeure Event, its expected duration, and the steps that the Affected Party is taking to mitigate the effects of the event on its performance. The Affected Party shall keep the other Party informed on a continuing basis of developments relating to the Force Majeure Event until the event ends. The Affected Party will be entitled to suspend or modify its performance of obligations under this Agreement (other than the obligation to make payments) only to the extent

that the effect of the Force Majeure Event cannot be mitigated by the use of Reasonable Efforts. The Affected Party will use Reasonable Efforts to resume its performance as soon as possible.

7.6 Default

7.6.1 No Default shall exist where such failure to discharge an obligation (other than the payment of money) is the result of a Force Majeure Event as defined in this Agreement or the result of an act or omission of the other Party. Upon a Default, the non-defaulting Party shall give written notice of such Default to the defaulting Party. Except as provided in Article 7.6.2, the defaulting Party shall have 60 calendar days from receipt of the Default notice within which to cure such Default; provided however, if such Default is not capable of cure within 60 calendar days, the defaulting Party shall commence such cure within 20 calendar days after notice and continuously and diligently complete such cure within six months from receipt of the Default notice; and, if cured within such time, the Default specified in such notice shall cease to exist.

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

Article 8. Insurance

8.1 The Interconnection Customer shall, at its own expense, maintain in force general liability insurance without any exclusion for liabilities related to the interconnection undertaken pursuant to this Agreement. The amount of such insurance shall be sufficient to insure against all reasonably foreseeable direct liabilities given the size and nature of the generating equipment being interconnected, the interconnection itself, and the characteristics of the system to which the interconnection is made. The Interconnection Customer shall obtain additional insurance only if necessary as a function of owning and operating a generating facility. Such insurance shall be obtained from an insurance provider authorized to do business in the State where the interconnection is located. Certification that such insurance is in effect shall be provided upon request of the Transmission Provider, except that the Interconnection Customer shall show proof of insurance to the Transmission Provider no later than ten Business Days prior to the anticipated commercial operation date. An Interconnection Customer of sufficient credit-worthiness may propose to self-insure for such liabilities, and such a proposal shall not be unreasonably rejected.

8.2 The Transmission Provider agrees to maintain general liability insurance or self-insurance consistent with the Transmission Provider's commercial practice. Such

insurance or self-insurance shall not exclude coverage for the Transmission Provider's liabilities undertaken pursuant to this Agreement.

- 8.3** The Parties further agree to notify each other whenever an accident or incident occurs resulting in any injuries or damages that are included within the scope of coverage of such insurance, whether or not such coverage is sought.

Article 9. Confidentiality

- 9.1** Confidential Information shall mean any confidential and/or proprietary information provided by one Party to the other Party that is clearly marked or otherwise designated "Confidential." For purposes of this Agreement all design, operating specifications, and metering data provided by the Interconnection Customer shall be deemed Confidential Information regardless of whether it is clearly marked or otherwise designated as such.
- 9.2** Confidential Information does not include information previously in the public domain, required to be publicly submitted or divulged by Governmental Authorities (after notice to the other Party and after exhausting any opportunity to oppose such publication or release), or necessary to be divulged in an action to enforce this Agreement. Each Party receiving Confidential Information shall hold such information in confidence and shall not disclose it to any third party nor to the public without the prior written authorization from the Party providing that information, except to fulfill obligations under this Agreement, or to fulfill legal or regulatory requirements.
- 9.2.1** Each Party shall employ at least the same standard of care to protect Confidential Information obtained from the other Party as it employs to protect its own Confidential Information.
- 9.2.2** Each Party is entitled to equitable relief, by injunction or otherwise, to enforce its rights under this provision to prevent the release of Confidential Information without bond or proof of damages, and may seek other remedies available at law or in equity for breach of this provision.
- 9.3** Notwithstanding anything in this article to the contrary, and pursuant to 18 CFR § 1b.20, if FERC, during the course of an investigation or otherwise, requests information from one of the Parties that is otherwise required to be maintained in confidence pursuant to this Agreement, the Party shall provide the requested information to FERC, within the time provided for in the request for information. In providing the information to FERC, the Party may, consistent with 18 CFR § 388.112, request that the information be treated as confidential and non-public by FERC and that the information be withheld from public disclosure. Parties are prohibited from notifying the other Party to this Agreement prior to the release of the Confidential Information to FERC. The Party shall notify the other Party to this Agreement when it is notified by FERC that a request to release Confidential Information has been received by FERC, at which time either of the Parties may respond before such information would be made public, pursuant to 18 CFR § 388.112. Requests from a state regulatory body conducting a confidential investigation shall be treated in a similar manner if consistent with the applicable state rules and regulations.

Article 10. Disputes

- 10.1** The Parties agree to attempt to resolve all disputes arising out of the interconnection process according to the provisions of this article.
- 10.2** In the event of a dispute, either Party shall provide the other Party with a written Notice of Dispute. Such Notice shall describe in detail the nature of the dispute.
- 10.3** If the dispute has not been resolved within two Business Days after receipt of the Notice, either Party may contact FERC's Dispute Resolution Service (DRS) for assistance in resolving the dispute.
- 10.4** The DRS will assist the Parties in either resolving their dispute or in selecting an appropriate dispute resolution venue (e.g., mediation, settlement judge, early neutral evaluation, or technical expert) to assist the Parties in resolving their dispute. DRS can be reached at 1-877-337-2237 or via the internet at <http://www.ferc.gov/legal/adr.asp>.
- 10.5** Each Party agrees to conduct all negotiations in good faith and will be responsible for one-half of any costs paid to neutral third-parties.
- 10.6** If neither Party elects to seek assistance from the DRS, or if the attempted dispute resolution fails, then either Party may exercise whatever rights and remedies it may have in equity or law **consistent with the terms of this Agreement.**

Article 11. Taxes

- 11.1** The Parties agree to follow all applicable tax laws and regulations, consistent with FERC policy and Internal Revenue Service requirements.
- 11.2** Each Party shall cooperate with the other to maintain the other Party's tax status. Nothing in this Agreement is intended to adversely affect the Transmission Provider's tax exempt status with respect to the issuance of bonds including, but not limited to, local furnishing bonds.

Article 12. Miscellaneous

- 12.1 Governing Law, Regulatory Authority, and Rules**
The validity, interpretation and enforcement of this Agreement and each of its provisions shall be governed by the laws of the state of _____ (where the Point of Interconnection is located), without regard to its conflicts of law principles. This Agreement is subject to all Applicable Laws and Regulations. Each Party expressly reserves the right to seek changes in, appeal, or otherwise contest any laws, orders, or regulations of a Governmental Authority.
- 12.2 Amendment**
The Parties may amend this Agreement by a written instrument duly executed by both Parties.
- 12.3 No Third-Party Beneficiaries**

This Agreement is not intended to and does not create rights, remedies, or benefits of any character whatsoever in favor of any persons, corporations, associations, or entities other than the Parties, and the obligations herein assumed are solely for the use and benefit of the Parties, their successors in interest and where permitted, their assigns.

12.4 Waiver

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

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

12.5 Entire Agreement

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

12.6 Multiple Counterparts

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

12.7 No Partnership

This Agreement shall not be interpreted or construed to create an association, joint venture, agency relationship, or partnership between the Parties or to impose any partnership obligation or partnership liability upon either Party. Neither Party shall have any right, power or authority to enter into any agreement or undertaking for, or act on behalf of, or to act as or be an agent or representative of, or to otherwise bind, the other Party.

12.8 Severability

If any provision or portion of this Agreement shall for any reason be held or adjudged to be invalid or illegal or unenforceable by any court of competent jurisdiction or other Governmental Authority, (1) such portion or provision shall be deemed separate and independent, (2) the Parties shall negotiate in good faith to restore insofar as practicable the benefits to each Party that were affected by such ruling, and (3) the remainder of this Agreement shall remain in full force and effect.

12.9 Security Arrangements

Infrastructure security of electric system equipment and operations and control hardware and software is essential to ensure day-to-day reliability and operational security. FERC expects all Transmission Providers, market participants, and Interconnection Customers interconnected to electric systems 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 are expected to meet basic standards for system infrastructure and operational security, including physical, operational, and cyber-security practices.

12.10 Environmental Releases

Each Party shall notify the other Party, first orally and then in writing, of the release of any hazardous substances, any asbestos or lead abatement activities, or any type of remediation activities related to the Small Generating Facility or the Interconnection Facilities, each of which may reasonably be expected to affect the other Party. The notifying Party shall (1) provide the notice as soon as practicable, provided such Party makes a good faith effort to provide the notice no later than 24 hours after such Party becomes aware of the occurrence, and (2) promptly furnish to the other Party copies of any publicly available reports filed with any governmental authorities addressing such events.

12.11 Subcontractors

12.11.1 General.

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

12.11.2 Responsibility of Principal.

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

12.11.3 No Limitation by Insurance.

The obligations under this article **will** not be limited in any way by any limitation of subcontractor's insurance.

12.12 Reservation of Rights

The Transmission Provider shall have the right to make a unilateral filing with FERC to modify this Agreement with respect to any rates, terms and conditions, charges, classifications of service, rule or regulation under section 205 or any other applicable provision of the Federal Power Act and FERC's rules and regulations thereunder, and the Interconnection Customer shall have the right to make a unilateral filing with FERC to modify this Agreement under any applicable provision of the Federal Power Act and FERC's rules and regulations; provided that each Party shall have the right to protest any such filing by the other Party and to participate fully in any proceeding before FERC in which such modifications may be considered. Nothing in this Agreement shall limit the rights of the Parties or of FERC under sections 205 or 206 of the Federal Power Act and FERC's rules and regulations, except to the extent that the Parties otherwise agree as provided herein.

Article 13. Notices

13.1 General

Unless otherwise provided in this Agreement, any written notice, demand, or request required or authorized in connection with this Agreement ("Notice") shall be deemed properly given if delivered in person, delivered by recognized national courier service, or sent by first class mail, postage prepaid, to the person specified below:

If to the Interconnection Customer:

Interconnection Customer: ORNI 16 LLC
Attention: CEO
Address: 6225 Neil Road
City: Reno State: NV Zip: 89511
Phone: (775) 356-9029 Fax: (775) 356-9039
Email: assetmanager@ormat.com

If to the Transmission Provider:

Transmission Provider: Sierra Pacific Power d/b/a NV Energy
Attention: Manager, Transmission Business Services
Address: 6100 Neil Road
City: Reno State: NV Zip: 89511
Phone: (775) 834-4802 Fax: (775) 834-3047

13.2 Billing and Payment

Billings and payments shall be sent to the addresses set out below:

Interconnection Customer: ORNI 16 LLC
Attention: CEO
Address: 6225 Neil Road
City: Reno State: NV Zip: 89511
Phone: (775) 356-9029 Fax: (775) 356-9039
Email: assetmanager@ormat.com

If to the Transmission Provider:

Transmission Provider: Sierra Pacific Power d/b/a NV Energy
Attention: Manager, Transmission Business Services
Address: 6100 Neil Road
City: Reno State: NV Zip: 89511
Phone: (775) 834-4802 Fax: (775) 834-3047

13.3 Alternative Forms of Notice

Any notice or request required or permitted to be given by either Party to the other and not required by this Agreement to be given in writing may be so given by telephone, facsimile or e-mail to the telephone numbers and e-mail addresses set out below:

If to the Interconnection Customer:

Interconnection Customer: ORNI 16 LLC
Attention: CEO
Address: 6225 Neil Road
City: Reno State: NV Zip: 89511
Phone: (775) 356-9029 Fax: (775) 356-9039
Email: assetmanager@ormat.com

If to the Transmission Provider:

Transmission Provider: Sierra Pacific Power d/b/a NV Energy
Attention: Project Manager, Transmission Business Services
Address: 6100 Neil Road
City: Reno State: NV Zip: 89511
Phone: (775) 834-4042 Fax: (775) 834-3047

13.4 Designated Operating Representative

The Parties may also designate operating representatives to conduct the communications which may be necessary or convenient for the administration of this Agreement. This person will also serve as the point of contact with respect to operations and maintenance of the Party's facilities.

Interconnection Customer's Operating Representative:

Interconnection Customer: ORNI 16 LLC
Attention: CEO
Address: 6225 Neil Road
City: Reno State: NV Zip: 89511
Phone: (775) 356-9029 Fax: (775) 356-9039
Email: assetmanager@ormat.com

Transmission Provider's Operating Representative:

Transmission Provider: Sierra Pacific Power d/b/a NV Energy
Attention: Energy System Control Center
Address: 6100 Neil Road
City: Reno State: NV Zip: 89511

Phone: (775) 834-4762 Fax: (775) 834-3940
Email: ESCCOperations@nvenergy.com

13.5 Changes to the Notice Information

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

Article 14. Signatures

IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed by their respective duly authorized representatives.

For the Transmission Provider

DocuSigned by:
Name: Shahzad Latief
7CE3BF9CB7E64C6...
Title: Vice President, Transmission
Date: 12/22/2017

For the Interconnection Customer

DocuSigned by:
Name: Connie Stelman
7B9372820D16493...
Title: Secretary
Date: 12/18/2017

SGIA Attachment 1: Glossary of Terms

Affected System – An electric system other than the Transmission Provider's Transmission System that may be affected by the proposed interconnection.

Applicable Laws and Regulations – 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.

Business Day – Monday through Friday, excluding Federal Holidays.

Completed Interconnection Request - The Interconnection Customer's request following the completion of the Pre-Application Process, to interconnect a new Small Generating Facility, or to increase the capacity of, or make a Material Modification to the operating characteristics of, an existing Generating Facility that is interconnection with the Transmission Provider's Transmission System.

Default – The failure of a breaching Party to cure its Breach under the Small Generator Interconnection Agreement.

Distribution System – The Transmission Provider's facilities and equipment used to transmit electricity to ultimate usage points such as homes and industries directly from nearby generators or from interchanges with higher voltage transmission networks which transport bulk power over longer distances. The voltage levels at which Distribution Systems operate differ among areas.

Distribution Upgrades – The additions, modifications, and upgrades to the Transmission Provider's Distribution System at or beyond the Point of Interconnection to facilitate interconnection of the Small Generating Facility and render the transmission service necessary to effect the Interconnection Customer's wholesale sale of electricity in interstate commerce. Distribution Upgrades do not include Interconnection Facilities.

Good Utility Practice – 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 – 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 the Interconnection Customer, the Interconnection Provider, or any Affiliate thereof.

Interconnection Customer – Any entity, including the Transmission Provider, the Transmission Owner or any of the affiliates or subsidiaries of either, that proposes to interconnect its Small Generating Facility with the Transmission Provider's Transmission System.

Interconnection Facilities – The Transmission Provider's Interconnection Facilities and the Interconnection Customer's Interconnection Facilities. Collectively, Interconnection Facilities include all facilities and equipment between the Small Generating Facility and the Point of Interconnection, including any modification, additions or upgrades that are necessary to physically and electrically interconnect the Small Generating Facility to the Transmission Provider's Transmission System. Interconnection Facilities are sole use facilities and shall not include Distribution Upgrades or Network Upgrades.

Material Modification – A modification that has a material impact on the cost or timing of any Pre-Application Request or Completed Interconnection Request with a later queue priority date.

Network Upgrades – Additions, modifications, and upgrades to the Transmission Provider's Transmission System required at or beyond the point at which the Small Generating Facility interconnects with the Transmission Provider's Transmission System to accommodate the interconnection of the Small Generating Facility with the Transmission Provider's Transmission System. Network Upgrades do not include Distribution Upgrades.

Operating Requirements – Any operating and technical requirements that may be applicable due to Regional Transmission Organization, Independent System Operator, control area, or the Transmission Provider's requirements, including those set forth in the Small Generator Interconnection Agreement.

Party or Parties – The Transmission Provider, Transmission Owner, Interconnection Customer or any combination of the above.

Point of Interconnection – The point where the Interconnection Facilities connect with the Transmission Provider's Transmission System.

Pre-Application Request – The Interconnection Customer's request, in accordance with the Tariff, to interconnect a new Small Generating Facility, or to increase the capacity of, or make a Material Modification to the operating characteristics of, an existing Small Generating Facility that is interconnected with the Transmission Provider's Transmission System.

Reasonable Efforts – With respect to an action required to be attempted or taken by a Party under the Small Generator Interconnection Agreement, efforts that are timely and consistent with

Good Utility Practice and are otherwise substantially equivalent to those a Party would use to protect its own interests.

Small Generating Facility – The Interconnection Customer’s device for the production of electricity identified in the Pre-Application Request, but shall not include the Interconnection Customer’s Interconnection Facilities.

Tariff – The Transmission Provider or Affected System’s Tariff through which open access transmission service and Interconnection Service are offered, as filed with the FERC, and as amended or supplemented from time to time, or any successor tariff.

Transmission Owner – The entity that owns, leases or otherwise possesses an interest in the portion of the Transmission System at the Point of Interconnection and may be a Party to the Small Generator Interconnection Agreement to the extent necessary.

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

Transmission System – The facilities owned, controlled or operated by the Transmission Provider or the Transmission Owner that are used to provide transmission service under the Tariff.

Upgrades – The required additions and modifications to the Transmission Provider’s Transmission System at or beyond the Point of Interconnection. Upgrades may be Network Upgrades or Distribution Upgrades. Upgrades do not include Interconnection Facilities.

SGIA Attachment 2: Description and Costs of the Small Generating Facility, Interconnection Facilities, and Metering Equipment

Equipment, including the Small Generating Facility, Interconnection Facilities, and metering equipment shall be itemized and identified as being owned by the Interconnection Customer, the Transmission Provider, or the Transmission Owner. The Transmission Provider will provide a best estimate itemized cost, including overheads, of its Interconnection Facilities and metering equipment, and a best estimate itemized cost of the annual operation and maintenance expenses associated with its Interconnection Facilities and metering equipment.

ORNI 16 LLC

Generating Facility Capacity: 20 MW Net

Generating Facility Nameplate: 30 MVA from the one (1) Siemens IDS2509-8CN02-Z 30MVA geothermal generator that the Interconnection Customer is installing

Type of Interconnection Service: Energy Resource Interconnection Service

Point of Interconnection:

The Point of Interconnection will be at the Transmission Provider's Carson Lake 230 kV Switching Station. See Drawing A-1 in Attachment 3.

Point of Change of Ownership:

The Point of Change of Ownership will be the point where the Interconnection Customer's lead line terminates on the Transmission Providers owned dead end structure located at approximately: 39.227°N, 118.591°W

Nominal Delivery Voltage: 230 kV

Metering Voltage: 230 kV

1. Interconnection Customer's Interconnection Facilities (ICIF):

a. Interconnection Customer Generating Facility Requirements, Facility to Include:

- i. Interconnection Customer to install one (1) Siemens IDS2509-8CN02-Z 30MVA geothermal generator for a net of 20 MW. The inertia constant (H) for the combined generator-turbine-exciter-flywheel must be a minimum of 3.0 for the proposed generating unit;
- ii. Interconnection Customer to install one (1) 230/13.8 kV 22 MVA step-up transformer located at the Carson Lake generating facility;
- iii. Interconnection Customer to install one (1) 230 kV breaker located at the Carson Lake generating facility;

b. Interconnection Customer Generator Lead Line Requirements, Lead Line to Include:

- i. Interconnection Customer to design, permit, and built approximately 10.3 miles of 230 kV lead line from the generation facility to the dead end structure located at: 39.227°N, 118.591°W
- i. Line to include OPGW or equivalent to be provided as Transmission Provider Interconnection Facilities:
 - i. Fiber must be coordinated with the Interconnection Customer owned protection relays;
 - ii. Interconnection Customer must provide fiber from the Interconnection Customer owned relays to the Transmission Provider's telecom equipment rack;
 - iii. Interconnection Customer must design their lead line to support the Transmission Provider's fiber or other suitable fiber routing to the to the Transmission Provider's system; and
 - iv. Interconnection Customer to provide infrastructure to deliver fiber into the control building.
- ii. Overhead lead line to be designed with static wire(s) and adequate overvoltage protection from lightning surges; and
 - 1. OPGW may be used to fulfill this requirement.
- iii. The line and fiber to be built in accordance with Good Utility Practices.
- c. **Interconnection Customer's Permitting Requirements:**
 - i. Interconnection Customer to submit all relevant Federal, State, County, and local land use permitting, Right-of-Way and licensing or other land rights applications to the Transmission Provider for review and concurrence prior to submittal to the applicable agency.
 - 1. Failure to secure Transmission Provider's concurrence prior to submittal of permitting for Right-of-Way and/or licensing/other land rights applications to the respective agencies can result in requiring the Interconnection Customer to resubmit or amend permitting documentation to meet Transmission Provider's satisfaction, which may delay the project In-Service schedule significantly.
 - ii. Subsequent to receiving Transmission Provider's concurrence, the Interconnection Customer will acquire all Federal, State, County, and Local land use and environmental permits and authorizations required in order to build, operate, and maintain the Generating Facility, Interconnection Customer Interconnection Facilities, and Transmission Provider's Interconnection Facilities to include (but not limited to):
 - 1. All related plant facilities including fencing, grading and access roads;
 - 2. Any permits required to interconnect the Interconnection Customer's generator lead-line to the Transmission Provider's transmission system at the Point of Interconnection;
 - 3. Appropriate authorizations and/or assignments related to Interconnection Customer's rights under Interconnection Customer's Federal Bureau of Land Management (BLM) Right of Way (ROW) Grant (if applicable) and/or any other land rights (leases/ownership, etc) which authorizes Transmission Provider to install or otherwise take necessary action to

- interconnect Transmission Provider's Interconnection Facilities associated with this project;
- ii. Interconnection Customer's Right of Way or land grants will include, among other things:
1. Transmission Provider's Interconnection Facilities: the last span from the dead-end structure set outside of Carson Lakes 230 kV Substation to the Point of Interconnection;
 2. The preliminary location identified for the Point of Change of Ownership dead-end and switch structure is: 39.227°, -118.591°. The final location must be approved by Transmission Provider's transmission engineering and property resources along with any other necessary Transmission Provider department(s);
 3. All access roads to the Interconnection Customer's Substation;
 4. Access road to the dead-end structure; road to be an all-weather, adequate access road, minimum 20 feet in width or an approved width by Transmission Provider;
 5. Approximately 10.3 miles of 230 kV generator lead-line from Interconnection Customer's Substation to the Point of Interconnection Carson Lakes 230 kV Substation;
 6. Final Plan of Development and SF299 to be reviewed and approved by Transmission Provider before submittal to BLM, if applicable, and final application package for Special Use Permit and all other submittals that incorporate Transmission Providers' Interconnection Facilities and Network Upgrades must be reviewed and approved by Transmission Provider before submittal; and
 7. Interconnection Customer to obtain all lands and permitting associated with the Carson Lake 230 kV Substation;
- iii. Interconnection Customer will acquire the Utility Environmental Protection Act (UEPA) permit for all the facilities required for the Interconnection inclusive of the following:
1. Interconnection Customer Interconnection Facilities;
 2. Transmission Provider Interconnection Facilities; and
 3. Applicable Network Upgrades.
 1. Interconnection Customer must coordinate with the Transmission Provider for the UEPA requirements for the Transmission Provider Interconnection Facilities and Network Upgrades;
 2. The Transmission Provider will provide to the Interconnection Customer a detailed description of the facilities required inclusive of scope, costs and schedule, per the milestones in Appendix B;
 3. The Interconnection Customer will include the description provided by the Transmission Provider in the UEPA submittal;
- iv. Once the project is built and operational, the Interconnection Customer will support Transmission Provider, to the extent necessary, in obtaining all documentation related to the assignment of the necessary rights under BLM ROW Grant and/or other land rights as applicable obtained by the Interconnection Customer. The assignment of the necessary rights under Interconnection Customer's BLM ROW

- Grant and/or other land rights, as applicable, will include the area impacted by the Transmission Provider's Interconnection Facilities associated with this project; an application will be submitted once the Transmission Provider is satisfied that all environmental and other stipulations have been met;
- v. The Interconnection Customer will finalize and execute the Right of Way and/or other land rights, as applicable, application and assignment documents within 60 days of the In-service Date;
 - vi. The assignment of the necessary rights under Interconnection Customer's BLM ROW Grant and other land rights will include the area impacted by Transmission Provider's Interconnection Facilities and Federal Aviation Administration determination of no hazard or other applicable FAA approvals, as required;
 - vii. Dust Control Permits inclusive of the following:
 - 1. Carson Lakes 230 kV substation;
 - 2. Interconnection Customer's transmission lead-line inclusive of the Transmission Provider's dead end and switch structure adjacent to the rebuilt Carson Lakes 230 kV Substation; and
 - 3. Interconnection Customer's Generating Facility plant.
 - viii. All reclamation activities must be completed and accepted by appropriate agencies;
 - ix. Storm water permits inclusive of Carson Lakes 230 kV substation;
 - x. All local, state and federal permits including but not limited to: Special Use Permits and applicable variances;
 - xi. Any other land rights as deemed necessary by Transmission Provider to perform its obligations under this Agreement, with such land rights being granted on a form acceptable to the Transmission Provider.
 - xii. The Interconnection Customer and the Transmission Provider will execute an Access to Equipment Agreement to secure Transmission Provider's access to communications and metering equipment located at the Interconnection Customer Generating Facility sites. The Transmission Provider will record the Access to Equipment Agreement with the appropriate authority once granted;
 - xiii. Transmission Provider shall cooperate with Interconnection Customer's efforts to obtain any such permits; and
 - xiv. The Interconnection Customer will provide 24 hour access to all of Transmission Provider's Interconnection Facilities without limitations, upon reasonable notice from Transmission Provider and subject to Interconnection Customer's safety and other applicable procedures.
- d. Interconnection Customer Generating Facility Protection Requirements:**
- i. Interconnection Customer will install generating facility and 230 kV line protection relays;
 - ii. The 230 kV line protection relays must be compatible with SEL-421 primary distance and SEL-311L backup relays that Transmission Provider will install at the Carson Lake Substation; and
 - iii. The Interconnection Customer will submit their intended protection and communications settings for the interconnection for review and coordination by the Transmission Provider in compliance with NERC PRC-001 requirements.
- e. Interconnection Customer's Communication Requirements:**

- i. The Interconnection Customer will provide two (2) redundant high speed digital circuits between the Interconnection Customer's Substation and the Point of Interconnection.
- i. Interconnection Customer owned protection relays and Transmission Provider owned protection relays will communicate via the fiber on the Interconnection Customer's transmission lead line for high speed communications aided protection;
- ii. Interconnection Customer must provide at least four (4) fibers from the Interconnection Customer owned relays to the Transmission Provider's telecom equipment rack; and
- iii. Interconnection Customer to install infrastructure (i.e. trenching, plumbing, conduit, etc.) to provide fiber into the control building.
- ii. The Interconnection Customer will provide and deliver a T-1 service along with any T-1 circuit isolation gear required by the local T-1 provider;
 - i. The T-1 line will originate at the Transmission Provider's telecom equipment location at the Interconnection Customer's facility and terminate at a place to be specified by the Transmission Provider.
 - ii. The dedicated T-1 leased telecommunications line must be provided by the Interconnection Customer for the Transmission Provider's Telephony, SCADA and Metering requirements and use;
- iii. Interconnection Customer will provide a ring down phone and/or 24 hour contact for Transmission Provider Energy System Control Center (ESCC);
- iv. Interconnection Customer will provide one dial up telephone line continuously capable of a 9600 baud rate minimum at any given time for the new 230 kV meter that will be located at the Generating Facility site;
 - i. Note: If the ring down phone and metering telecommunications circuits are via copper circuits and connecting to Transmission Provider telecom equipment, then Ground Protection Rise isolation is expected and is the responsibility of the Interconnection Customer, per applicable industry standards.
- v. Temperature-controlled control room located at the Interconnection Customer's Generating Facility;
 - i. Interconnection Customer will provide a suitable area within its temperature controlled control room for two (2) 8-foot tall 23-inch racks for the Transmission Provider's Interconnection Facilities (communications and protection equipment). A minimum working space of three feet to be provided on the front and back of these racks. Provisions for the following must be made;
 - i. Interconnection Customer will provide two (2) 125 V DC circuits dedicated to Transmission Provider's communication equipment at a minimum of 20 Amperes each. These load centers are to provide both primary and back-up power sources for the Transmission Provider's equipment; and
 - ii. Conduit and/or cable trays to provide connectivity from the Transmission Provider's rack space area to Interconnection Customer's main telecommunications board.
- vi. Interconnection Customer will provide a 125 volt DC Battery backup with a minimum of twelve hour support; and

- vii. Detailed Communications and Protection Requirements are in Attachment C to this Agreement.
- f. **Interconnection Customer's Metering Requirements:**
 - i. The 230 kV meter will be located on the high side of the Interconnection Customer's 230/13.8 kV transformer at the Interconnection Customer's Substation;
 - ii. The Transmission Provider will procure the 230 kV metering instrument transformers (CT's and PT's) and provide the instrument transformers to the Interconnection Customer for installation. The Interconnection Customer will wire the primary side and install conduit and pull string to the meter cabinet on the secondary side, the Transmission Provider will connect the secondary leads to the meter;
 - iii. The Interconnection Customer will design, purchase and install a 230 kV meter structure;
 - iv. Separate conduits are required for communications and power cabling;
 - v. Provide appropriately sized junction/pullbox at the meter structure and install one and a half inch diameter conduits for wiring of CT/PT's. Install 1-3" diameter conduit from the junction/pullbox to the meter. Cables and wirings for metering shall be provided and pulled by the Interconnection Customer per Transmission Provider's sizing and specification;
 - vi. The Interconnection Customer will provide a dedicated 125 V DC circuit and phone line to the meter; and
 - vii. Spare Instrument Transformers:
 - i. The Transmission Provider does not stock spare instrument transformers. Spare instrument transformers may be procured by either the Transmission Provider or the Interconnection Customer to provide back-up metering capability at the Interconnection Customer's expense.
- 2. **Transmission Providers Interconnection Facilities (TPIF)**
 - a. **230 kV Substation Entrance, termination structure and switch;**
 - i. The Transmission Provider will design, procure, and install a 230 kV dead end structure for the landing of the Interconnection Customer's lead line. The dead end structure will be the Point of Change of Ownership. The preliminary location identified for the dead end structure is:
39.227°N, 118.591°W
 - ii. The substation entrance will include fiber optic cable on the transmission lead line from Carson Lake 230 kV Substation to the Point of Change of Ownership dead end structure;
 - iii. Transmission Provider to design, procure and install the Salt Wells #2309T 230 kV line fold and all associated hardware to interconnect the Carson Lake generator lead line;
 - b. **Telecommunications at the Interconnection Customer's Site:**
 - i. Transmission Provider will purchase and install one (1) Remote Terminal Unit and necessary communications equipment for the required SCADA from the Generating Facility;
 - ii. Transmission Provider will purchase and install a multiplexor on the T-1 line for the Generating Facility; and

- iii. Transmission Provider will purchase and install miscellaneous communication cables and link equipment as required.
 - c. **Metering at the Interconnection Customer's Site:**
 - i. Transmission Provider will purchase and install one (1) ION revenue quality meter located on the high side of the Interconnection Customer's transformer that will be compensated to the Point of Interconnection. The ION revenue quality meter shall be specifically programmed by the Transmission Provider to 5-minute demand intervals as needed; and
 - ii. The Transmission Provider will purchase and provide the metering class current transformers and potential transformers (CT's and PT's) to the Interconnection Customer for installation.
 - d. **Interconnection Customer Protection Coordination:**
 - i. The Transmission Provider will review the Interconnection Customer's engineered generator facility protection including the Interconnection Customer's 230 kV line protection.
 - e. **Lands and Environmental Interface:**
 - i. The Transmission Provider will support the Interconnection Customer's efforts in acquiring land rights for the 230 kV dead-end and switch structure located outside of the Carson Lake 230 kV Substation; and
 - ii. The Transmission Provider will assist the Interconnection Customer in transferring land rights and related permits originally obtained by the Interconnection Customer for the 230 kV dead-end and switch structure;
- 3. **Network Upgrades (NU):**
 - a. **Carson Lake 230 kV Substation;**
 - i. The Transmission Provider will design, procure and construct the Carson Lake 230 kV Substation;
 - i. The Transmission Provider will design, procure, and construct a new six (6) breaker 230 kV Substation in a breaker and a half configuration. The Substation will include:
 - i. Six (6) 230 kV breakers and associated electric appurtenances;
 - ii. New Control Enclosure;
 - iii. Appropriate grading, fencing and drainage;
 - iv. Access roads sufficient to provide 24 hour access all year long;
 - 1. Roads may be built in cooperation with Interconnection Customer's access roads with approval of the Transmission Provider.
 - v. The preliminary location for the Carson Lake 230 kV Substation is: 39.227°N, 118.593°W; and
 - vi. The actual substation location will be determined by the Transmission Provider prior to Interconnection Customer's initiation of permitting, design, and construction.
 - ii. Transmission Provider will fold the #2309 230 kV line into the new Carson Lake 230 kV Substation;
 - iii. Transmission Provider to obtain all lands for the communication upgrades at the Cape Horn communications site;
 - iv. Transmission Provider to remove wave trap at Austin, Frontier, Machacek and Gonder Substations; and

- v. Transmission Provider to replace communications at Austin, Gonder, Frontier, and Cape Horn.
- 4. **Shared Network Upgrades:**
 - a. None
- 5. **Previously Securitized Network Upgrades:**

These upgrades have been securitized by a prior queued interconnection customer. If the prior queued interconnection customer terminates their LGIA, then ORNI 16 LLC will be responsible for the cost responsibility of the below network upgrades.

 - a. Transmission Provider to rebuild existing #127 transmission line to 2-795 ACSR equivalent conductor capacity
- 6. **Distribution Upgrades (DU):**
 - a. None
- 7. **Ownership:**

Upon completion of construction, the Parties shall have ownership of the facilities as follows:

 - a. Interconnection Customer's Interconnection Facilities shall be owned by the Interconnection Customer;
 - b. Transmission Provider's Interconnection Facilities shall be owned by the Transmission Provider;
 - c. Network Upgrades shall be owned by the Transmission Provider; and
 - d. Distribution Upgrades shall be owned by the Transmission Provider;
- 8. **Affected System Upgrades:**

Affected System Upgrades – The following Affected System Upgrades have been determined to be needed in order to mitigate disturbances on and maintain the reliability of Affected Systems directly or indirectly interconnected to the Transmission System.

 - a. None
- 9. **Operation and Maintenance Responsibilities:**

Upon completion of construction, the Parties shall have responsibilities for operation and maintenance of the Interconnection Facilities, Network Upgrades and Distribution Upgrades as follows:

 - a. Interconnection Customer's Interconnection Facilities shall be operated and maintained by the Interconnection Customer;
 - b. Transmission Provider's Interconnection Facilities shall be operated and maintained by the Transmission Provider and paid for by the Interconnection Customer;
 - c. Network Upgrades shall be operated and maintained by the Transmission Provider; and
 - d. Distribution Upgrades shall be operated and maintained by the Transmission Provider.
- 10. **Cost Estimate & Responsibilities:**
 - a. Interconnection Customer's Interconnection Facilities: Interconnection Customer

- b. Transmission Provider's Interconnection Facilities (TPIF): **\$917,000** – Interconnection Customer funded and Transmission Provider owned

Company HJ Cost Responsibility		
Project Component	Scope Description	TPIF \$M
Communication	Company HJ Site Communications	\$ 320,000
Substation	Termination structure & switch on generator lead line	\$ 286,000
Protection	System Protection Facilities and Review/Coordination of plant setting	\$ 168,000
Metering	230kV Metering	\$ 140,000
	Total TPIF	\$ 917,000

All costs will be trued to actual after the completion of the Project and all costs have been recorded, consistent with Article 5 of this SGIA and these estimates do not include any tax gross-up.

- c. Network Upgrades (NU): **\$15,338,000**– Interconnection Customer shall provide security/collateral pursuant to Article 5 of the SGIA and Attachment L of the Open Access Transmission Tariff.

Company HJ Cost Responsibility		
Project Component	Scope Description	Network Upgrades \$M
Communication & Protection	Carson Lake Substation Communications	\$ 1,257,000
	Frontier, Austin and Cape Horn Communications	\$ 567,000
	Gonder Communications	\$ 236,000
Lands	Lands for Cape Horn	\$ 12,000
	Lands and Environmental for Carson Lake Substation	\$ 100,000
Transmission Lines	#2309 230 kV Line Fold	\$ 412,000
	Salt Wells #2309T Line Fold	\$ 259,000
Transmission Substations	Carson Lake 230 kV Substation	\$ 12,063,000
	PLC Removal at Frontier	\$ 184,000
	PLC Removal at Austin	\$ 101,000
	PLC Removal at Machacek	\$ 47,000
	PLC Removal at Gonder	\$ 101,000
	Total Network Upgrades	\$ 15,338,000

- d. Previously Securitized Network Upgrades: **\$4,553,000** – These network upgrades have been securitized by a prior queued interconnection customer. If the prior queued

customer withdraws their LGIA, ORNI 16 LLC will be responsible for securitizing these upgrades.

Mira Loma – Steamboat #127 Line Rebuild		
Project Component	Scope Description	Network Upgrades \$M
Communication & Protection	OPGW for #127 Rebuild	\$ 419,000
Lands	Lands for #127 Rebuild	\$ 72,000
Transmission Lines	Rebuild #127 Line	\$ 4,062,000
	Total	\$ 4,553,000

- e. Distribution Upgrades (“DU”): **\$0** – Responsibility of the Interconnection Customer

**SGIA Attachment 3: One-line Diagram Depicting the Small Generating Facility,
Interconnection Facilities, Metering Equipment, and Upgrades**

ORNI 16 LLC

Generating Facility Capacity: 20 MW Net

Generating Facility Nameplate: 30 MVA from the one (1) Siemens IDS2509-8CN02-Z 30MVA geothermal generator that the Interconnection Customer is installing

Type of Interconnection Service: **Energy Resource Interconnection Service**

Point of Interconnection:

The Point of Interconnection will be at the Transmission Provider's Carson Lake 230 kV Switching Station. See Drawing A-1 in Attachment 3.

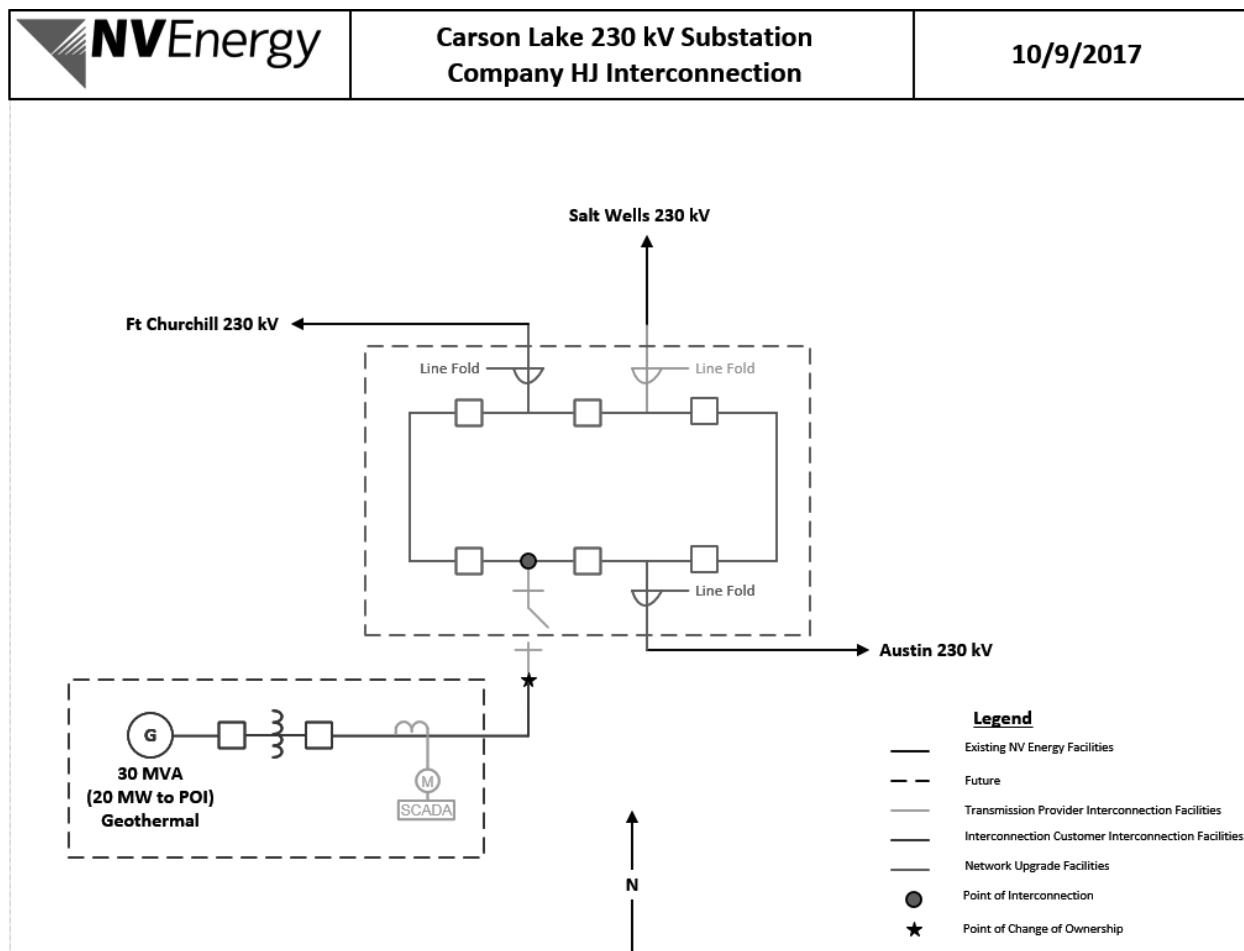
Point of Change of Ownership:

The Point of Change of Ownership will be the point where the Interconnection Customer's lead line terminates on the Transmission Providers owned dead end structure located at approximately: 39.227°N, 118.591°W

Nominal Delivery Voltage: **230 kV**

Metering Voltage: **230 kV**

Drawing A-1
Carson Lake
230 kV Interconnection

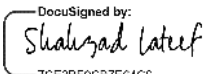
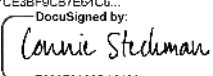


SGIA Attachment 4: MilestonesIn-Service Date: 12/1/2021

Critical milestones and responsibility as agreed to by the Parties:

Carson Lake Milestones		
<u>Interconnection Customer's Project Milestones</u>		Date
<u>1</u>	Interconnection Customer to contact Transmission Provider to schedule regular project meetings	upon execution
<u>2</u>	Interconnection Customer to provide \$ 100,000 Cash for TPIF Preliminary Project Management	upon execution
<u>3</u>	Interconnection Customer to initiate application for Telecommunications Service	upon execution
<u>4</u>	Interconnection Customer to provide Transmission Provider with certification of all insurance pursuant to Article 18.3.9 of the LGIA	Within 10 business days of execution
<u>5</u>	Pursuant to Section 11.3 of the LGIP the Interconnection Customer shall provide either (a) reasonable evidence that continued Site Control or (b) posting of \$250,000 non-refundable additional security which shall be applied toward future construction costs	within 15 Business Days of execution of this LGIA
<u>6</u>	Interconnection Customer to provide an irrevocable Letter of Credit or Surety Bond in the amount of \$1,533,800 for NU project engineering and design	2/1/2018
<u>7</u>	Interconnection Customer to provide completed documentation (e.g. signed Right of Entries) to Transmission Provider allowing for site access, survey, and study work	2/1/2018
<u>8</u>	Interconnection Customer to provide Transmission Provider with drafts of all right-of-way and permitting applications for Transmission Provider equipment	2/1/2018
<u>9</u>	Interconnection Customer to submit all required permit applications and/or amendments to permit applications for Transmission Provider equipment	5/2/2018
<u>10</u>	Interconnection Customer to provide \$ 91,700 Cash for TPIF project engineering and design	10/1/2018
<u>11</u>	Interconnection Customer to provide \$ 366,800 Cash for TPIF equipment procurement	6/1/2020
<u>12</u>	Interconnection Customer to increase the irrevocable Letter of Credit or Surety Bond by \$ 6,135,200 to a total amount of \$ 7,669,000 for NU equipment procurement	6/1/2020
<u>13</u>	Interconnection Customer to contact Transmission Provider to schedule initial coordination meeting for protection, system control, telecommunications, and metering to discuss Telemetry Points Worksheet	6/1/2020
<u>14</u>	Interconnection Customer to provide Control Room Preliminary Dimension Design to Transmission Provider	6/1/2020
<u>15</u>	Interconnection Customer to provide One-line with Protection Scheme Descriptions and Relay Settings to Transmission Provider	6/1/2020

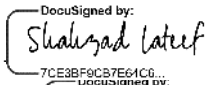
Agreed to by:

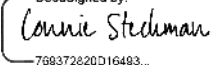
For the Transmission Provider  Date 12/22/2017For the Interconnection Customer  Date 12/18/2017

Service Agreement # 17-00050

<u>16</u>	Interconnection Customer to provide Transformer (GSU) specification sheet to Transmission Provider	6/1/2020
<u>17</u>	Interconnection Customer to provide signed Telemetry Points Worksheet to Transmission Provider	9/1/2020
<u>18</u>	Interconnection Customer to provide completed Energy Imbalance Market Resource Data Template with attachments	9/1/2020
<u>19</u>	Interconnection Customer to provide BLM issued Notice to Proceed (NTP) to Transmission Provider	9/1/2020
<u>20</u>	Interconnection Customer to provide Transmission Provider with copies of completed permits from all required federal, state, county & local entities including, but not limited to, Right-of-Way Grant (BLM), final UEPA (PUCN), Special Use Permits, Grading Permits, Building Permits, etc.	12/1/2020
<u>21</u>	Interconnection Customer to provide copies of BLM rentals, copy of the final environmental documents (i.e., EA, Cat Ex, POD, Restoration Plan) including any company-specify Interconnection Customer environmental compliance policies and the final BLM grants.	12/1/2020
<u>22</u>	Interconnection Customer to provide documentation/verification and executed easements to Transmission Provider for all access roads	12/1/2020
<u>23</u>	Interconnection Customer to provide \$ 358,500 Cash for TPIF Project construction	12/1/2020
<u>24</u>	Interconnection Customer to increase the irrevocable Letter of Credit or Surety Bond by \$ 7,669,000 to a total amount of \$ 15,338,000 for NU project construction	12/1/2020
<u>25</u>	Interconnection Customer to sign Transmission Provider's SF 299 for assignment of ROW Grant to Transmission Provider for TPIF and NU facilities	12/1/2020
<u>26</u>	Interconnection Customer to provide the transformer Factory Acceptance Testing (FAT) data to the Transmission Provider	6/1/2021
<u>27</u>	Interconnection Customer to provide signed Grant of Easement, Access Agreement, and other required documents for the Transmission Provider's Interconnection Facilities at the Interconnection Customer's Plant Site	9/1/2021
<u>28</u>	Interconnection Customer to complete all installations of conduits with pull strings and make available for Transmission Provider use	9/1/2021
<u>29</u>	Interconnection Customer to provide DC load centers dedicated for Transmission Provider communications equipment and RTU	9/1/2021
<u>30</u>	Interconnection Customer to complete Control Room construction with cable trays and conduits and provide full access to Transmission Provider	9/1/2021
<u>31</u>	Interconnection Customer to complete installation of Meter Structure including PT/CT and meter cabinet	9/1/2021
<u>32</u>	Interconnection Customer to provide 125 Volt DC power to meter cabinet (if needed)	9/1/2021
<u>33</u>	Interconnection Customer to initiate application for Standby Service	10/1/2021
<u>34</u>	Interconnection Customer to provide Transmission Provider operation plan for generator start up	10/1/2021

Agreed to by:

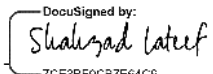
For the Transmission Provider  Date 12/22/2017
DocuSigned by: 7CE3BF0C87E64C0...

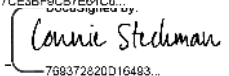
For the Interconnection Customer  Date 12/18/2017
DocuSigned by: 769372820D16493...

Service Agreement # 17-00050

<u>35</u>	Interconnection Customer to provide either: (1) documentation showing how the Interconnection Customer will meet the IRS Notice 2016-36 "Safe Harbor" provision or (2) Cash to the Transmission Provider for CIAC tax gross up for the Transmission Provider Interconnection Facilities at the applicable rate	10/1/2021
<u>36</u>	Interconnection Customer to Provide T-1 line from Generator Control Room to the Transmission Provider's Energy System Control Center	11/1/2021
<u>37</u>	Interconnection Customer to Provide dial up line to meter	11/1/2021
<u>38</u>	Interconnection Customer to complete installation of Generator Facility protection relays	11/1/2021
<u>39</u>	Interconnection Customer to provide 24 hour access number to Transmission Provider or ring down line from Generator Control Room ESCC	11/1/2021
<u>40</u>	Interconnection Customer to execute a Standby Service Agreement	11/1/2021
<u>41</u>	Interconnection Customer to initiate generator pre-energization meeting	11/17/2021
<u>42</u>	Interconnection Customer and Transmission Provider to hold Pre-energization Meeting to review final Operating Procedures provided by the Transmission Provider	11/24/2021
<u>43</u>	Interconnection Customer to return signed final Operating Procedures provided by Transmission Provider	11/24/2021
<u>44</u>	Interconnection Customer and Transmission Provider to complete the PRC-001 System Protection Coordinator Letter	11/24/2021
<u>45</u>	Interconnection Customer to provide a letter to the Transmission Provider acknowledging in writing that all plant systems are adequately protected and have been tested prior to energization	Must be completed at least one week prior to the In-Service date with written notice by the Interconnection Customer to the Transmission Provider
<u>46</u>	Interconnection Customer Facility Calibration and Trip Testing - Interconnection Customer to Coordinate with the Transmission Provider	Must be completed at least one week prior to the In-Service date with written notice by the Interconnection Customer to the Transmission Provider
<u>47</u>	Interconnection Customer to complete Interconnection Customer Interconnection Facilities (provide notice to Transmission Provider in writing)	Notice must be provided at least one week prior to In-Service Date
<u>48</u>	In-Service Date	12/1/2021
<u>49</u>	Generator Testing Start Date - Provide notice to Transmission Provider	within 30 days of Commercial Operation Date

Agreed to by:

For the Transmission Provider  Date 12/22/2017

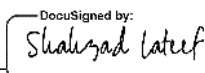
For the Interconnection Customer  Date 12/18/2017

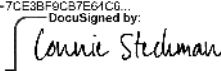
Service Agreement # 17-00050

<u>50</u>	Interconnection Customer to execute an Access to Equipment Easement Agreement to the Transmission Provider for the Transmission Provider's Interconnection Facilities at the Interconnection's Customer's Plant Site.	within 60 days of In-Service Date
<u>51</u>	Interconnection Customer to complete LGIA Appendix E and provide to the Transmission Provider when it is ready to declare COD	within 1 day of commercial operation
<u>52</u>	Commercial Operation Date - Provide notice to Transmission Provider	1/1/2022
<u>53</u>	Interconnection Customer to provide written notice to the Transmission Provider detailing how it continually meets the Safe Harbor Provision	1/1/2023
<u>54</u>	Interconnection Customer to provide written notice to the Transmission Provider detailing how it continually meets the Safe Harbor Provision	1/1/2024
<u>55</u>	Interconnection Customer to provide written notice to the Transmission Provider detailing how it continually meets the Safe Harbor Provision	1/1/2025
<u>56</u>	Interconnection Customer to provide written notice to the Transmission Provider detailing how it continually meets the Safe Harbor Provision	1/1/2026
<u>57</u>	Interconnection Customer to provide written notice to the Transmission Provider detailing how it continually meets the Safe Harbor Provision	1/1/2027
<u>58</u>	Interconnection Customer to provide written notice to the Transmission Provider detailing how it continually meets the Safe Harbor Provision	1/1/2028
<u>59</u>	Interconnection Customer to provide written notice to the Transmission Provider detailing how it continually meets the Safe Harbor Provision	1/1/2029
<u>60</u>	Interconnection Customer to provide written notice to the Transmission Provider detailing how it continually meets the Safe Harbor Provision	1/1/2030
<u>61</u>	Interconnection Customer to provide written notice to the Transmission Provider detailing how it continually meets the Safe Harbor Provision	1/1/2031
<u>62</u>	Interconnection Customer to provide written notice to the Transmission Provider detailing how it continually meets the Safe Harbor Provision	1/1/2032

Transmission Provider Milestones		Date
<u>1</u>	Transmission Provider Interconnection Facilities and Network Upgrades Completed Provided that all necessary approvals by Governmental Authorities are received, Interconnection Customer's required facilities are constructed, tested and ready for service per Interconnection Customer milestones above, and the Interconnection Customer has provided required securities and notices to the Transmission Provider per Interconnection Customer milestones above.	12/1/2021

Agreed to by:

For the Transmission Provider  Date 12/22/2017

For the Interconnection Customer  Date 12/18/2017

**SGIA Attachment 5: Additional Operating Requirements for the Transmission Provider's
Transmission System and Affected Systems Needed to Support the Interconnection
Customer's Needs**

The Transmission Provider shall also provide requirements that must be met by the Interconnection Customer prior to initiating parallel operation with the Transmission Provider's Transmission System.

The following shall be the additional operating requirements that must be met by generator interconnection customers prior to operating in parallel with the Transmission Provider's System.

1. **Operating Procedures.** The Interconnection Customer will be provided generator Electrical System Control Center (ESCC) operating procedure requirements that the Interconnection Customer must follow in order to interconnect its facilities to NV Energy's transmission system and to operate its interconnected facilities. The generator ESCC operation procedure requirements includes operating protocols and standards required to be followed by the IC related to, but not limited to, the following:
 - a. Demarcation of ownership of facilities and assignment of responsibilities between the Transmission Provider (TP) and Interconnection Customer;
 - b. Certification process for electrical system control center qualified personnel
 - c. Process and procedures for switching operations
 - d. Communication protocols for switching operations
 - e. Generator synchronization procedures
 - f. Notice requirements prior to undertaking switching activities
 - g. Process and procedures for making modifications to equipment
 - h. Minimum access rights requirements
 - i. Outage coordination requirements
 - j. Clearance procedures (i.e., lock-out/tag-out)
 - k. Personnel training and orientation requirements
 - l. General notification requirements

2. **Standards.** The Interconnection Customer will be required to meet all applicable North American Electric Reliability Corporation (NERC) and/or Western Electricity Coordinating Council (WECC) standards, variances, criteria and guidelines; as such standards may be amended from time to time. The latest revision of the '*Glossary of Terms Used in NERC Reliability Standards*', including the term 'Bulk Electric System', should be referred to when determining applicability. Below is a list, including but not limited to, some standards that may apply.
 - a. Automatic Generation Control:
BAL-005-0.2b (R1.1)
 - b. Cybersecurity:
CIP-002-5.1a through CIP-011-2 (All)
 - c. Communications:
COM-001-2.1
COM-002-4

- d. Emergency Preparedness and Operations:
EOP-004-3
 - e. Facilities Design, Connections, and Maintenance:
FAC-001-2
FAC-002-2
FAC-003-4
FAC-008-3
 - f. Modeling, Data and Analysis:
MOD-025-2
MOD-026-1
MOD-027-1
MOD-032-1 Protection and Control:
PRC-001-1.1(ii)
PRC-004-5(i)
PRC-005-6
PRC-006-2
PRC-019-2
PRC-023-4 (Applicable if there is a lead line)
PRC-024-2
PRC-025-1
 - g. Transmission Operations:
TOP-001-3
TOP-003-3
 - h. Voltage and Reactive Control, Network Voltage:
VAR-001-4.1
VAR-002-4
VAR-002-WECC-2
 - i. VAR-501-WECC-2 Accurate models of generators and associated controls are necessary for realistic simulations of the electric power system of the western interconnection. Baseline testing and periodic performance validation are required to ensure that the dynamic models and databases that are used in the grid simulations are accurate and up to date. All generator dynamic model testing to be performed according to the WECC “Generating Unit Model Validation Policy”.
 - j. Any other applicable NERC Standards, as adopted by the WECC, or NERC, or their successor organizations, and as such standards may be amended from time to time, as requested by the TP.
3. **Under-Frequency and Over-Frequency Conditions.** In the event of an under-frequency system disturbance, the Transmission System is designed to automatically activate a load-shedding program, pursuant to the requirements set forth by the WECC/NERC, or their successor organizations. The Interconnection Customer shall implement under-frequency and over-frequency relay set points for the Small Generating Facility as required by the WECC/NERC or their successor organizations, to ensure “ride through” capability of the generator on the Transmission System. The Small Generating Facility’s response to frequency deviations of pre-determined magnitudes, both under-frequency and over-

frequency deviations, shall be provided to the TP, and its response to frequency deviations shall be coordinated with the Transmission Provider in accordance with Good Utility Practice. The term “ride through” as used herein shall mean the ability of a Generating Facility to stay connected to and synchronized with the Transmission System during system disturbances within a range of under-frequency and over-frequency conditions, as required in accordance with Good Utility Practice.

4. Generating Facility Communications and Protection Requirements:

1. Communications Requirements—Generating Facility Telemetry:

- a. Generating Facility telemetry outputs:
 - i. Generator Plant total MW, MVAR, 3-phase amps, 3-phase volts (L-G referred to L-L) and accumulated MW-hr in and out. Fiber will be required if the distance between the meter and the Transmission Provider’s RTU exceeds 1500 feet.
- b. Hard-wired open/closed indication for transformer circuit breaker/circuit switcher to Transmission Provider’s Energy System Control Center (ESCC);
- c. Plant transformer protection lockout status (one for each transformer, GSU, Unit Aux, or Station Service where connected to the POI high side bus);
- d. Condition signal indicating status of percentage of plant output availability to ESCC Control Room on a continuous basis;
- e. Interconnection Customer shall provide forecasted hourly geothermal plant energy production data consistent with WECC-defined operational planning requirements and Energy Imbalance Market¹ requirements, (1 week forecast) including updates to all forecast hourly output values no less frequently than once per calendar day. Such forecasts shall be based on numerical weather prediction (NWP) models. Interconnection Customer shall provide data using Transmission Provider accepted protocol directly to Transmission Provider.
- f. Interconnection Customer shall provide any environmental data that may impact the percentage of the Generating Facility output availability (i.e. low temperature, high wind and/or trip settings);
- g. Tripped/Reset indication of all GSU and line protection lockouts – totaled such that there is one indication per GSU;
- h. Alarms for loss of communication aided protection for line protection relays shall be provided via soft points from the Customer’s RTU or SCADA/DCS system;
- i. Load Tap Changer (LTC) indication tap position and manual on/off indication (if GSUs are equipped with LTC); and
- j. Note—RTU at plant to which output will be delivered is to be designated as the master RTU. The Interconnection Customer will supply an interface that will allow the Transmission Provider’s RTU to be the master (polling) device.

¹ As defined in Section I.1.13D “Energy Imbalance Market (EIM)” of the NV Energy Open Access Transmission Tariff.

SGIA Attachment 6: Transmission Provider's Description of its Upgrades and Best Estimate of Upgrade Costs

The Transmission Provider shall describe Upgrades and provide an itemized best estimate of the cost, including overheads, of the Upgrades and annual operation and maintenance expenses associated with such Upgrades. The Transmission Provider shall functionalize Upgrade costs and annual expenses as either transmission or distribution related.

The Facilities identified in Attachment 1 of this Agreement are existing and therefore since replacements are not deemed necessary, no costs have been included below.

1. Cost Estimate & Responsibilities:

The following cost estimates are required to bring the plant up to current operating standards:

- a. Interconnection Customer's Interconnection Facilities: Interconnection Customer
- b. Transmission Provider's Interconnection Facilities (TPIF): **\$917,000** – Interconnection Customer funded and Transmission Provider owned

Company HJ Cost Responsibility		
Project Component	Scope Description	TPIF \$M
Communication	Company HJ Site Communications	\$ 320,000
Substation	Termination structure & switch on generator lead line	\$ 286,000
Protection	System Protection Facilities and Review/Coordination of plant setting	\$ 168,000
Metering	230kV Metering	\$ 140,000
	Total TPIF	\$ 917,000

All costs will be trued to actual after the completion of the Project and all costs have been recorded, consistent with Article 5 of this SGIA and these estimates do not include any tax gross-up.

- c. Network Upgrades (NU): **\$15,338,000**– Interconnection Customer shall provide security/collateral pursuant to Article 5 of the SGIA and Attachment L of the Open Access Transmission Tariff.

Company HJ Cost Responsibility		
Project Component	Scope Description	Network Upgrades \$M
Communication & Protection	Carson Lake Substation Communications	\$ 1,257,000
	Frontier, Austin and Cape Horn Communications	\$ 567,000

	Gonder Communications	\$ 236,000
Lands	Lands for Cape Horn	\$ 12,000
	Lands and Environmental for Carson Lake Substation	\$ 100,000
Transmission Lines	#2309 230 kV Line Fold	\$ 412,000
	Salt Wells #2309T Line Fold	\$ 259,000
Transmission Substations	Carson Lake 230 kV Substation	\$ 12,063,000
	PLC Removal at Frontier	\$ 184,000
	PLC Removal at Austin	\$ 101,000
	PLC Removal at Machacek	\$ 47,000
	PLC Removal at Gonder	\$ 101,000
	Total Network Upgrades	\$ 15,338,000

- d. Previously Securitized Network Upgrades: **\$4,553,000** – These network upgrades have been securitized by a prior queued interconnection customer. If the prior queued customer withdraws their LGIA, ORNI 16 LLC will be responsible for securitizing these upgrades.

Mira Loma – Steamboat #127 Line Rebuild		
Project Component	Scope Description	Network Upgrades \$M
Communication & Protection	OPGW for #127 Rebuild	\$ 419,000
Lands	Lands for #127 Rebuild	\$ 72,000
Transmission Lines	Rebuild #127 Line	\$ 4,062,000
	Total	\$ 4,553,000

- e. Distribution Upgrades (“DU”): \$0 – Responsibility of the Interconnection Customer

2. Operation and Maintenance Responsibilities:

- (a) Upon completion of construction, the Parties shall have responsibilities for operation and maintenance of the Interconnection Facilities, and Network Upgrades as follows:
- 1) Interconnection Customer’s Interconnection Facilities shall be operated and maintained by the Interconnection Customer;
 - 2) Transmission Provider’s Interconnection Facilities shall be operated and maintained by the Transmission Provider and paid for by the Interconnection Customer. If replacements are deemed necessary, the Interconnection Customer will be responsible for the costs of new equipment;
 - 3) Network Upgrades shall be operated and maintained by the Transmission Provider; and
 - 4) Distribution Upgrades shall be operated and maintained by the Transmission Provider;

- (b)** The Interconnection Customer shall be responsible for payment of the actual costs incurred by the Transmission Provider for operation and maintenance of the Transmission Provider's Interconnection Facilities.

TRAN-9

**AMENDED AND RESTATED
STANDARD LARGE GENERATOR
INTERCONNECTION AGREEMENT (LGIA)**

SERVICE AGREEMENT # 15-00045

Between

**NEVADA POWER COMPANY d/b/a
NV ENERGY**

And

HARRY ALLEN SOLAR ENERGY LLC

Date: 12/18/2018

Table of Contents:

Large Generator Interconnection Agreement (LGIA)

	<u>LGIA Page No.</u>
Recitals	1
Article 1. Definitions	1
Article 2. Effective Date, Term, and Termination	9
2.1 Effective Date.	9
2.2 Term of Agreement.	9
2.3 Termination Procedures.	10
2.3.1 Written Notice.	10
2.3.2 Default.	10
2.4 Termination Costs.	10
2.5 Disconnection.	11
2.6 Survival.	11
Article 3. Regulatory Filings	11
3.1 Filing.	11
Article 4. Scope of Service	11
4.1 Interconnection Product Options.	11
4.1.1 Energy Resource Interconnection Service.....	12
✓4.1.2 Network Resource Interconnection Service.	12
4.1.3 Interim Interconnection Service.	14
4.2 Provision of Service.	16
4.3 Performance Standards.	16
4.4 No Transmission Delivery Service.	16
4.5 Interconnection Customer Provided Services.	16
Article 5. Interconnection Facilities Engineering, Procurement, and Construction	16
5.1 Options.....	16
✓5.1.1 Standard Option.....	16
5.1.2 Alternate Option.	17
5.1.3 Option to Build.	17
5.1.4 Negotiated Option.	17
5.2 General Conditions Applicable to Option to Build.....	18
5.3 Liquidated Damages.	19
5.4 Power System Stabilizers.....	20
5.5 Equipment Procurement.....	20
5.6 Construction Commencement.....	20
5.7 Work Progress.....	21
5.8 Information Exchange.....	21
5.9 Limited Operation.	21
5.10 Interconnection Customer's Interconnection Facilities ("ICIF").	21
5.10.1 Interconnection Customer's Interconnection Facility Specifications.....	22
5.10.2 Transmission Provider's Review.....	22
5.10.3 ICIF Construction.....	22

5.11	Transmission Provider's Interconnection Facilities Construction.....	22
5.12	Access Rights.....	23
5.13	Lands of Other Property Owners.....	23
5.14	Permits.....	23
5.15	Early Construction of Base Case Facilities.....	23
5.16	Suspension.....	24
5.17	Taxes.....	24
5.17.1	Interconnection Customer Payments Not Taxable.....	24
5.17.2	Representations and Covenants.....	24
5.17.3	Indemnification for the Cost Consequences of Current Tax Liability Imposed Upon the Transmission Provider.....	25
5.17.4	Tax Gross-Up Amount.....	26
5.17.5	Private Letter Ruling or Change or Clarification of Law.....	26
5.17.6	Subsequent Taxable Events.....	27
5.17.7	Contests.....	27
5.17.8	Refund.....	28
5.17.9	Taxes Other Than Income Taxes.....	29
5.17.10	Transmission Owners Who Are Not Transmission Providers.....	29
5.18	Tax Status.....	29
5.19	Modification.....	29
5.19.1	General.....	29
5.19.2	Standards.....	30
5.19.3	Modification Costs.....	30
Article 6.	Testing and Inspection.....	30
6.1	Pre-Commercial Operation Date Testing and Modifications.....	30
6.2	Post-Commercial Operation Date Testing and Modifications.....	31
6.3	Right to Observe Testing.....	31
6.4	Right to Inspect.....	31
Article 7.	Metering.....	31
7.1	General.....	31
7.2	Check Meters.....	31
7.3	Standards.....	32
7.4	Testing of Metering Equipment.....	32
7.5	Metering Data.....	32
Article 8.	Communications	32
8.1	Interconnection Customer Obligations.....	32
8.2	Remote Terminal Unit.....	33
8.3	No Annexation.....	33
8.4	Provision of Data from a Variable Energy Resource.....	33
Article 9.	Operations	34
9.1	General.....	34
9.2	Control Area Notification.....	34
9.3	Transmission Provider Obligations.....	34
9.4	Interconnection Customer Obligations.....	35
9.5	Start-Up and Synchronization.....	35
9.6	Reactive Power.....	35

9.6.1	Power Factor Design Criteria.....	35
9.6.2	Voltage Schedules.....	35
9.6.3	Payment for Reactive Power.....	36
9.7	Outages and Interruptions.....	36
9.7.1	Outages.....	36
9.7.2	Interruption of Service.....	37
9.7.3	Under-Frequency and Over Frequency Conditions.....	38
9.7.4	System Protection and Other Control Requirements.....	38
9.7.5	Requirements for Protection.....	39
9.7.6	Power Quality.....	40
9.8	Switching and Tagging Rules.....	40
9.9	Use of Interconnection Facilities by Third Parties.....	40
9.9.1	Purpose of Interconnection Facilities.....	40
9.9.2	Third Party Users.....	40
9.10	Disturbance Analysis Data Exchange.....	41
Article 10.	Maintenance	41
10.1	Transmission Provider Obligations.....	41
10.2	Interconnection Customer Obligations.....	41
10.3	Coordination.....	41
10.4	Secondary Systems.....	41
10.5	Operating and Maintenance Expenses.....	41
Article 11.	Performance Obligation	42
11.1	Interconnection Customer Interconnection Facilities.....	42
11.2	Transmission Provider's Interconnection Facilities.....	42
11.3	Network Upgrades and Distribution Upgrades.....	42
11.4	Transmission Credits.....	42
11.4.1	Repayment of Amounts Advanced for Network Upgrades.....	42
11.4.2	Special Provisions for Affected Systems.....	43
11.5	Provision of Security.....	43
11.6	Interconnection Customer Compensation.....	44
11.6.1	Interconnection Customer Compensation for Actions During Emergency Condition.....	44
Article 12.	Invoice	44
12.1	General.....	44
12.2	Final Invoice.....	45
12.3	Payment.....	45
12.4	Disputes.....	45
Article 13.	Emergencies.....	45
13.1	Definition.....	45
13.2	Obligations.....	46
13.3	Notice.....	46
13.4	Immediate Action.....	46
13.5	Transmission Provider Authority.....	46
13.5.1	General.....	46
13.5.2	Reduction and Disconnection.....	47
13.6	Interconnection Customer Authority.....	47

13.7	Limited Liability.....	47
Article 14.	Regulatory Requirements and Governing Law	48
14.1	Regulatory Requirements.....	48
14.2	Governing Law.	48
Article 15.	Notices.....	48
15.1	General.....	48
15.2	Billings and Payments.....	48
15.3	Alternative Forms of Notice.	48
15.4	Operations and Maintenance Notice.....	49
Article 16.	Force Majeure	49
16.1	Force Majeure.	49
Article 17.	Default.....	49
17.1	Default.....	49
17.1.1	General.	49
17.1.2	Right to Terminate.....	49
Article 18.	Indemnity, Consequential Damages and Insurance	50
18.1	Indemnity.	50
18.1.1	Indemnified Person.....	50
18.1.2	Indemnifying Party.....	50
18.1.3	Indemnity Procedures.....	50
18.2	Consequential Damages.....	51
18.3	Insurance.	51
Article 19.	Assignment.....	53
19.1	Assignment.	53
Article 20.	Severability	54
20.1	Severability.	54
Article 21.	Comparability	54
21.1	Comparability.	54
Article 22.	Confidentiality	54
22.1	Confidentiality.	54
22.1.1	Term.	55
22.1.2	Scope.	55
22.1.3	Release of Confidential Information.	55
22.1.4	Rights.	55
22.1.5	No Warranties.	56
22.1.6	Standard of Care.....	56
22.1.7	Order of Disclosure.	56
22.1.8	Termination of Agreement.	56
22.1.9	Remedies.	56
22.1.10	Disclosure to FERC, its Staff, or a State.	57
Article 23.	Environmental Releases	58
23.1	Environmental Releases.....	58
Article 24.	Information Requirements.....	58

24.1	Information Acquisition.....	58
24.2	Information Submission by Transmission Provider.	58
24.3	Updated Information Submission by Interconnection Customer.....	58
24.4	Information Supplementation.	59
Article 25.	Information Access and Audit Rights.....	59
25.1	Information Access.	59
25.2	Reporting of Non-Force Majeure Events.....	60
25.3	Audit Rights.....	60
25.4	Audit Rights Periods.	60
25.4.1	Audit Rights Period for Construction-Related Accounts and Records.	60
25.4.2	Audit Rights Period for All Other Accounts and Records.	60
25.5	Audit Results.....	60
Article 26.	Subcontractors	61
26.1	General.....	61
26.2	Responsibility of Principal.....	61
26.3	No Limitation by Insurance.	61
Article 27.	Disputes.....	61
27.1	Submission.....	61
27.2	External Arbitration Procedures.	61
27.3	Arbitration Decisions.	62
27.4	Costs.....	62
Article 28.	Representations, Warranties, and Covenants.....	62
28.1	General.....	62
28.1.1	Good Standing.....	62
28.1.2	Authority.	63
28.1.3	No Conflict.....	63
28.1.4	Consent and Approval.....	63
Article 29.	Joint Operating Committee	63
29.1	Joint Operating Committee.	63
Article 30.	Miscellaneous.....	64
30.1	Binding Effect.....	64
30.2	Conflicts.....	64
30.3	Rules of Interpretation.	64
30.4	Entire Agreement.....	65
30.5	No Third Party Beneficiaries.	65
30.6	Waiver.....	65
30.7	Headings.	65
30.8	Multiple Counterparts.	65
30.9	Amendment.....	65
30.10	Modification by the Parties.....	65
30.11	Reservation of Rights.....	66
30.12	No Partnership.	66
LGIA Appendix A:	Interconnection Facilities, Network Upgrades and Distribution	
	Upgrades	67

LGIA Appendix B: Milestones 78

LGIA Appendix C: Interconnection Details..... 82

LGIA Appendix D: Security Arrangements Details..... 86

LGIA Appendix E: Commercial Operation Date 87

LGIA Appendix F: Addresses for Delivery of Notices and Billings..... 88

LGIA Appendix G: Interconnection Requirements For A Wind Generating Plant 90

STANDARD LARGE GENERATOR INTERCONNECTION AGREEMENT

THIS STANDARD LARGE GENERATOR INTERCONNECTION AGREEMENT (“Agreement”) is made and entered into this 18 day of December, 2018 by and between Harry Allen Solar Energy LLC, a Limited Liability Company organized and existing under the laws of the State/Commonwealth of Delaware (“Interconnection Customer” with a Large Generating Facility), and Nevada Power Company d/b/a NV Energy, a company organized and existing under the laws of the State/Commonwealth of the State of Nevada (“Transmission Provider and/or Transmission Owner”). Interconnection Customer and Transmission Provider each may be referred to as a “Party” or collectively as the “Parties.”

Recitals

WHEREAS, Transmission Provider operates the Transmission System; and

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

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

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

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

Article 1. Definitions

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

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

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

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

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

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

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

Application Process shall mean the activities required prior to the Interconnection Customer entering the Interconnection Queue, a further set forth in Section 3 of the Large Generator Interconnection Procedures.

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

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

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

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

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

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

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

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

Completed Interconnection Request shall mean an Interconnection Customer's request following the completion of the Application Process, to interconnect a new Generating Facility, increasing the capacity of, or making a Material Modification to the operating characteristics of an existing Generating Facility.

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

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

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

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

Distribution System shall mean the Transmission Provider's facilities and equipment used to transmit electricity to ultimate usage points such as homes and industries directly from nearby generators or from interchanges with higher voltage transmission networks which transport bulk power over longer distances. The voltage levels at which distribution systems operate differ among areas.

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

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

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

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

Engineering & Procurement (E&P) Agreement shall mean an agreement that authorizes the Transmission 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 Completed 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 (Commission) or its successor.

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

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

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

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, Transmission Provider, or any Affiliate thereof.

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

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

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

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

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

Interconnection Facilities shall mean the Transmission Provider’s Interconnection Facilities and the Interconnection Customer’s Interconnection Facilities. Collectively, Interconnection Facilities include all facilities and equipment between the Generating Facility and the Point of Interconnection, including any modification, additions or upgrades that are necessary to physically and electrically interconnect the Generating Facility to the Transmission Provider’s Transmission System. Interconnection Facilities are sole use facilities and shall not include Distribution Upgrades, Stand Alone Network Upgrades or Network Upgrades.

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

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

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

Interconnection Study shall mean any of the following studies: the Interconnection System Impact Study and the Interconnection Facilities Study described in the Standard Large Generator Interconnection Procedures.

Interconnection System Impact Study shall mean an engineering study that evaluates the impact of the proposed interconnection on the safety and reliability of Transmission Provider's Transmission System and, if applicable, an Affected System. The study shall identify and detail the system impacts that would result if the Generating Facility were interconnected without project modifications or system modifications, focusing on the Adverse System Impacts identified in the Application Process, or to study potential impacts, including but not limited to those identified in the Scoping Meeting as described in the Standard Large Generator Interconnection Procedures.

Interconnection System Impact Study Agreement shall mean the form of agreement contained in Appendix 2 of the Standard Large Generator Interconnection Procedures for conducting the Interconnection System Impact Study.

IRS shall mean the Internal Revenue Service.

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

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

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

Material Modification shall mean those modifications that have a material impact on the: (1) cost or timing of any Application Request with a later Application Number or (2) cost or timing of any Completed Interconnection Request with a later queue priority date.

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

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

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

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

Network Upgrades shall mean the additions, modifications, and upgrades to the Transmission Provider's Transmission System required at or beyond the point at which the Interconnection Facilities connect to the Transmission Provider's Transmission System to accommodate the interconnection of the Large Generating Facility to the Transmission Provider's Transmission System.

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

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

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

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

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

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

Queue Position shall mean the order of a valid Completed Interconnection Request, relative to all other pending valid Completed Interconnection Requests, that is established based upon successful completion of the Application Process, as determined by the Transmission Provider.

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

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

Shared Network Upgrades shall mean a Network Upgrade listed in Appendix A of the Generator Interconnection Agreement that is needed for the interconnection of multiple Interconnection Customers' Generating Facilities where such Interconnection Customers share the cost.

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

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

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

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

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

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

Tariff shall mean the Transmission 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.

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

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

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

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

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

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

Article 2. Effective Date, Term, and Termination

2.1 Effective Date.

This LGIA shall become effective upon execution by the Parties subject to acceptance by FERC (if applicable), or if filed unexecuted, upon the date specified by FERC.

Transmission Provider shall promptly file this LGIA with FERC upon execution in accordance with Article 3.1, if required.

2.2 Term of Agreement.

Subject to the provisions of Article 2.3, this LGIA shall remain in effect for a period of ten (10) years from the Effective Date (Term to be specified in individual agreements) and shall be automatically renewed for each successive one-year period thereafter.

2.3 Termination Procedures.

2.3.1 Written Notice.

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

2.3.2 Default.

Either Party may terminate this LGIA in accordance with Article 17.

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

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 other Party's receipt of such notice of termination, that are the responsibility of the Terminating Party under this LGIA. In the event of termination by a Party, the Parties shall use commercially Reasonable Efforts to mitigate the costs, damages and charges arising as a consequence of termination. Upon termination of this LGIA, unless otherwise ordered or approved by FERC:

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

If an Interconnection Customer terminates this LGIA, it shall be responsible for all costs incurred in association with that Interconnection Customer's interconnection, including any cancellation costs relating to orders or contracts for Interconnection Facilities and equipment, and other expenses including any

Network Upgrades for which Transmission Provider has incurred expenses and has not been reimbursed by Interconnection Customer.

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

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

2.5 Disconnection.

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

2.6 Survival.

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

Article 3. Regulatory Filings

3.1 Filing.

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

Article 4. Scope of Service

4.1 Interconnection Product Options.

Interconnection Customer has selected the following (checked) type of Interconnection Service:

4.1.1 Energy Resource Interconnection Service

4.1.1.1 The Product. Energy Resource Interconnection Service allows Interconnection Customer to connect the Large Generating Facility to the Transmission System and be eligible to deliver the Large Generating Facility's output using the existing firm or non-firm capacity of the Transmission System on an "as available" basis. To the extent Interconnection Customer wants to receive Energy Resource Interconnection Service, Transmission Provider shall construct facilities identified in Appendix A to this LGIA.

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

✓4.1.2 Network Resource Interconnection Service.

4.1.2.1 The Product. Transmission Provider must conduct the necessary studies and construct the Network Upgrades needed to integrate the Large Generating Facility (1) in a manner comparable to that in which

Transmission Provider integrates its generating facilities to serve native load customers; or (2) in an ISO or RTO with market based congestion management, in the same manner as all Network Resources. To the extent Interconnection Customer wants to receive Network Resource Interconnection Service, Transmission Provider shall construct the facilities identified in Appendix A to this LGIA.

4.1.2.2 Transmission Delivery Service Implications. Network Resource Interconnection Service allows Interconnection Customer's Large Generating Facility to be designated by any Network Customer under the Tariff on Transmission Provider's Transmission System as a Network Resource, up to the Large Generating Facility's full output, on the same basis as existing Network Resources interconnected to Transmission Provider's Transmission System, and to be studied as a Network Resource on the assumption that such a designation will occur. Although Network Resource Interconnection Service does not convey a reservation of transmission service, any Network Customer under the Tariff can utilize its network service under the Tariff to obtain delivery of energy from the interconnected Interconnection Customer's Large Generating Facility in the same manner as it accesses Network Resources. A Large Generating Facility receiving Network Resource Interconnection Service may also be used to provide Ancillary Services after technical studies and/or periodic analyses are performed with respect to the Large Generating Facility's ability to provide any applicable Ancillary Services, provided that such studies and analyses have been or would be required in connection with the provision of such Ancillary Services by any existing Network Resource. However, if an Interconnection Customer's Large Generating Facility has not been designated as a Network Resource by any load, it cannot be required to provide Ancillary Services except to the extent such requirements extend to all generating facilities that are similarly situated. The provision of Network Integration Transmission Service or firm Point-to-Point Transmission Service may require additional studies and the construction of additional upgrades. Because such studies and upgrades would be associated with a request for delivery service under the Tariff, cost responsibility for the studies and upgrades would be in accordance with FERC's policy for pricing transmission delivery services.

Network Resource Interconnection Service does not necessarily provide Interconnection Customer with the capability to physically deliver the output of its Large Generating Facility to any particular load on Transmission Provider's Transmission System without incurring congestion costs. In the event of transmission constraints on Transmission Provider's Transmission System, Interconnection Customer's Large Generating Facility shall be subject to the

applicable congestion management procedures in Transmission Provider's Transmission System in the same manner as Network Resources.

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

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

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

4.1.3 Interim Interconnection Service.

4.1.3.1 The Product. As described in Article 4, provision of Interconnection Service under this LGIA requires the construction of the Network Upgrades identified in Appendix A. However, in order to make the most efficient use of the transmission system and available generation before the aforementioned Network Upgrades are constructed, the Transmission Provider will use Reasonable Efforts to grant Interconnection Service under this LGIA on an interim basis under the following circumstances and subject to the following conditions ("Interim Interconnection Service"). Interconnection Customer understands and acknowledges that it has no right to Interim Interconnection Service and that any Interim Interconnection Service granted in this section is limited pursuant to the terms of this section.

4.1.3.2 Process for Requesting Interim Interconnection Service. No later than 180 Calendar days of Interconnection Customer's anticipated testing date for the generating facility that is the subject of this LGIA, where the aforementioned Network Upgrades are not expected to have been completed by that time, Interconnection Customer may submit a written request to the Transmission Provider for Interim Interconnection Service. The Interconnection Customer must be in good standing under this LGIA to request Interim Interconnection Service.

4.1.3.3 Transmission Provider's Evaluation of Request for Interim Interconnection Service. After a valid request for Interim Interconnection Service has been received, the Interconnection Customer will be provided a study agreement obligating the Interconnection Customer to pay the costs of the Interim Interconnection Service System Impact Study. The Interim Interconnection System Impact Study to be conducted by Transmission Provider has the same scope as the current LGIP System Impact Study. The Interim Interconnection System Impact Study will model only those projects that are planned to be in service on the effective date of the requested Interim Interconnection Service and any use of Interim Interconnection Service by a higher-queued interconnection customer. Once completed, the study will identify if the Interim Interconnection Service can be provided to the Interconnection Customer with the transmission system as currently configured. No additional facilities will be constructed to accommodate Interim Interconnection Service. Once the Transmission Provider determines that Interim Interconnection Service can be accommodated for all or part of the Interconnection Customer's anticipated output, the Interconnection Customer will then be limited to the output level contained in the Transmission Provider's response to the request for Interim Interconnection Service.

Regardless of when Interim Interconnection Service is requested, the Transmission Provider will have 60 days to conduct the Interim Interconnection Service System Impact Study. No formal report will be produced, but the Transmission Provider will provide a written response detailing whether, and to what extent, Interim Interconnection Service can be provided under this LGIA. The Interim Interconnection Service is governed by this LGIA.

4.1.3.4 Competing Requests for Interim Interconnection Service. To the extent Transmission Provider receives multiple requests for Interim Interconnection Service from Interconnection Customer and other interconnection customers that cannot be simultaneously accommodated, available Interim Interconnection Service will be given to the interconnection customer with the higher generation

interconnection queue position, even if the competing requests come from projects that were studied in the same cluster.

- 4.1.3.5 No Transmission Service.** The Transmission Providers' provision of Interim Interconnection Service under this LGIA does not constitute a request for, nor the provision of, any transmission delivery service under Transmission Provider's Tariff, and does not convey any right to deliver electricity to any specific customer or Point of Delivery.

4.2 Provision of Service.

Transmission Provider shall provide Interconnection Service for the Large Generating Facility at the Point of Interconnection.

4.3 Performance Standards.

Each Party shall perform all of its obligations under this LGIA in accordance with Applicable Laws and Regulations, Applicable Reliability Standards, and Good Utility Practice, and to the extent a Party is required or prevented or limited in taking any action by such regulations and standards, such Party shall not be deemed to be in Breach of this LGIA for its compliance therewith. If such Party is a Transmission Provider or Transmission Owner, then that Party shall amend the LGIA and submit the amendment to FERC for approval.

4.4 No Transmission Delivery Service.

The execution of this LGIA does not constitute a request for, nor the provision of, any transmission delivery service under Transmission Provider's Tariff, and does not convey any right to deliver electricity to any specific customer or Point of Delivery.

4.5 Interconnection Customer Provided Services.

The services provided by Interconnection Customer under this LGIA are set forth in Article 9.6 and Article 13.5.1. Interconnection Customer shall be paid for such services in accordance with Article 11.6.

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 Alternate Option set forth below for completion of Transmission Provider's Interconnection Facilities and Network Upgrades as set forth in Appendix A, Interconnection Facilities and Network Upgrades, and such dates and selected option shall be set forth in Appendix B, Milestones.

✓5.1.1 Standard Option.

Transmission Provider shall design, procure, and construct Transmission Provider's Interconnection Facilities and Network Upgrades, using Reasonable Efforts to complete Transmission Provider's Interconnection Facilities and

Network Upgrades by the dates set forth in Appendix B, Milestones. Transmission Provider shall not be required to undertake any action which is inconsistent with its standard safety practices, its material and equipment specifications, its design criteria and construction procedures, its labor agreements, and Applicable Laws and Regulations. In the event Transmission Provider reasonably expects that it will not be able to complete Transmission Provider's Interconnection Facilities and Network Upgrades by the specified dates, Transmission Provider shall promptly provide written notice to Interconnection Customer and shall undertake Reasonable Efforts to meet the earliest dates thereafter.

5.1.2 Alternate Option.

If the dates designated by Interconnection Customer are acceptable to Transmission Provider, Transmission Provider shall so notify Interconnection Customer within thirty (30) Calendar Days, and shall assume responsibility for the design, procurement and construction of Transmission Provider's Interconnection Facilities by the designated dates.

If Transmission Provider subsequently fails to complete Transmission Provider's Interconnection Facilities by the In-Service Date, to the extent necessary to provide back feed power; or fails to complete Network Upgrades by the Initial Synchronization Date to the extent necessary to allow for Trial Operation at full power output, unless other arrangements are made by the Parties for such Trial Operation; or fails to complete the Network Upgrades by the Commercial Operation Date, as such dates are reflected in Appendix B, Milestones; Transmission Provider shall pay Interconnection Customer liquidated damages in accordance with Article 5.3, Liquidated Damages, provided, however, the dates designated by Interconnection Customer shall be extended day for day for each day that the applicable RTO or ISO refuses to grant clearances to install equipment.

5.1.3 Option to Build.

If the dates designated by Interconnection Customer are not acceptable to Transmission Provider, Transmission Provider shall so notify Interconnection Customer within thirty (30) Calendar Days, and unless the Parties agree otherwise, Interconnection Customer shall have the option to assume responsibility for the design, procurement and construction of Transmission Provider's Interconnection Facilities and Stand Alone Network Upgrades on the dates specified in Article 5.1.2. Transmission 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.

5.1.4 Negotiated Option.

If Interconnection Customer elects not to exercise its option under Article 5.1.3, Option to Build, Interconnection Customer shall so notify Transmission

Provider within thirty (30) Calendar Days, and the Parties shall in good faith attempt to negotiate terms and conditions (including revision of the specified dates and liquidated damages, the provision of incentives or the procurement and construction of a portion of Transmission Provider's Interconnection Facilities and Stand Alone Network Upgrades by Interconnection Customer) pursuant to which Transmission Provider is responsible for the design, procurement and construction of Transmission Provider's Interconnection Facilities and Network Upgrades. If the Parties are unable to reach agreement on such terms and conditions, Transmission Provider shall assume responsibility for the design, procurement and construction of Transmission Provider's Interconnection Facilities and Network Upgrades pursuant to 5.1.1, Standard Option.

5.2 General Conditions Applicable to Option to Build.

If Interconnection Customer assumes responsibility for the design, procurement and construction of Transmission Provider's Interconnection Facilities and Stand Alone Network Upgrades,

- (1) Interconnection Customer shall engineer, procure equipment, and construct Transmission 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 Transmission Provider;
- (2) Interconnection Customer's engineering, procurement and construction of Transmission Provider's Interconnection Facilities and Stand Alone Network Upgrades shall comply with all requirements of law and Applicable Reliability Standards to which Transmission Provider would be subject in the engineering, procurement or construction of Transmission Provider's Interconnection Facilities and Stand Alone Network Upgrades;
- (3) Transmission Provider shall review and approve the engineering design, equipment acceptance tests, and the construction of Transmission Provider's Interconnection Facilities and Stand Alone Network Upgrades;
- (4) Prior to commencement of construction, Interconnection Customer shall provide to Transmission Provider a schedule for construction of Transmission Provider's Interconnection Facilities and Stand Alone Network Upgrades, and shall promptly respond to requests for information from Transmission Provider;
- (5) At any time during construction, Transmission Provider shall have the right to gain unrestricted access to Transmission Provider's Interconnection Facilities and Stand Alone Network Upgrades and to conduct inspections of the same;
- (6) At any time during construction, should any phase of the engineering, equipment procurement, or construction of Transmission Provider's Interconnection Facilities and Stand Alone Network Upgrades not meet the standards and specifications provided by Transmission Provider, Interconnection Customer shall be obligated to remedy deficiencies in that portion of Transmission Provider's Interconnection Facilities and Stand Alone Network Upgrades;

- (7) Interconnection Customer shall indemnify Transmission Provider for claims arising from Interconnection Customer's construction of Transmission Provider's Interconnection Facilities and Stand Alone Network Upgrades under the terms and procedures applicable to Article 18.1 Indemnity;
- (8) Interconnection Customer shall transfer control of Transmission Provider's Interconnection Facilities and Stand Alone Network Upgrades to Transmission Provider;
- (9) Unless Parties otherwise agree, Interconnection Customer shall transfer ownership of Transmission Provider's Interconnection Facilities and Stand-Alone Network Upgrades to Transmission Provider;
- (10) Transmission Provider shall approve and accept for operation and maintenance Transmission 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 Transmission Provider "as-built" drawings, information, and any other documents that are reasonably required by Transmission Provider to assure that the Interconnection Facilities and Stand-Alone Network Upgrades are built to the standards and specifications required by Transmission Provider.

5.3 Liquidated Damages.

The actual damages to Interconnection Customer, in the event Transmission Provider's Interconnection Facilities or Network Upgrades are not completed by the dates designated by Interconnection Customer and accepted by Transmission Provider pursuant to subparagraphs 5.1.2 or 5.1.4, above, may include Interconnection Customer's fixed operation and maintenance costs and lost opportunity costs. Such actual damages are uncertain and impossible to determine at this time. Because of such uncertainty, any liquidated damages paid by Transmission Provider to Interconnection Customer in the event that Transmission Provider does not complete any portion of Transmission Provider's Interconnection Facilities or Network Upgrades by the applicable dates, shall be an amount equal to $\frac{1}{2}$ of 1 percent per day of the actual cost of Transmission Provider's Interconnection Facilities and Network Upgrades, in the aggregate, for which Transmission Provider has assumed responsibility to design, procure and construct.

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

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

5.4 Power System Stabilizers.

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

5.5 Equipment Procurement.

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

- 5.5.1** Transmission Provider has completed the Facilities Study pursuant to the Facilities Study Agreement;
- 5.5.2** Transmission Provider has received written authorization to proceed with design and procurement from Interconnection Customer by the date specified in Appendix B, Milestones; and
- 5.5.3** Interconnection Customer has provided security to Transmission Provider in accordance with Article 11.5 by the dates specified in Appendix B, Milestones.

5.6 Construction Commencement.

Transmission Provider shall commence construction of Transmission Provider's Interconnection Facilities and Network Upgrades for which it is responsible as soon as practicable after the following additional conditions are satisfied:

- 5.6.1** Approval of the appropriate Governmental Authority has been obtained for any facilities requiring regulatory approval;
- 5.6.2** Necessary real property rights and rights-of-way have been obtained, to the extent required for the construction of a discrete aspect of Transmission Provider's Interconnection Facilities and Network Upgrades;
- 5.6.3** Transmission Provider has received written authorization to proceed with construction from Interconnection Customer by the date specified in Appendix B, Milestones; and
- 5.6.4** Interconnection Customer has provided security to Transmission 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 Transmission Provider's Interconnection Facilities will not be required until after the specified In-Service Date, Interconnection Customer will provide written notice to Transmission Provider of such later date upon which the completion of Transmission Provider's Interconnection Facilities will be required.

5.8 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 Transmission Provider's Transmission System, and shall work diligently and in good faith to make any necessary design changes.

5.9 Limited Operation.

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

5.10 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 Transmission 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. Transmission Provider shall review such specifications to ensure that the ICIF are compatible with the technical specifications, operational control, and safety requirements of Transmission Provider and comment on such specifications within thirty (30) Calendar Days of Interconnection Customer's submission. All specifications provided hereunder shall be deemed confidential.

5.10.2 Transmission Provider's Review.

Transmission Provider's review of Interconnection Customer's final specifications shall not be construed as confirming, endorsing, or providing a warranty as to the design, fitness, safety, durability or reliability of the Large Generating Facility, or the ICIF. Interconnection Customer shall make such changes to the ICIF as may reasonably be required by Transmission Provider, in accordance with Good Utility Practice, to ensure that the ICIF are compatible with the technical specifications, operational control, and safety requirements of Transmission Provider.

5.10.3 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 Transmission Provider "as-built" drawings, information and documents for the ICIF, such as: a one-line diagram, a site plan showing the Large Generating Facility and the ICIF, plan and elevation drawings showing the layout of the ICIF, a relay functional diagram, relaying AC and DC schematic wiring diagrams and relay settings for all facilities associated with Interconnection Customer's step-up transformers, the facilities connecting the Large Generating Facility to the step-up transformers and the ICIF, and the impedances (determined by factory tests) for the associated step-up transformers and the Large Generating Facility. The Interconnection Customer shall provide Transmission Provider specifications for the excitation system, automatic voltage regulator, Large Generating Facility control and protection settings, transformer tap settings, and communications, if applicable.

5.11 Transmission Provider's Interconnection Facilities Construction.

Transmission Provider's Interconnection Facilities shall be designed and constructed in accordance with Good Utility Practice. Upon request, within one hundred twenty (120) Calendar Days after the Commercial Operation Date, unless the Parties agree on another mutually acceptable deadline, Transmission Provider shall deliver to Interconnection Customer the following "as-built" drawings, information and documents for Transmission Provider's Interconnection Facilities [include appropriate drawings and

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

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 Large Generating Facility with the Transmission System; (ii) operate and maintain the Large Generating Facility, the Interconnection Facilities and the Transmission System; and (iii) disconnect or remove the Access Party's facilities and equipment upon termination of this LGIA. 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 Transmission Provider or Transmission Owner's Interconnection Facilities and/or Network Upgrades is to be installed on property owned by persons other than Interconnection Customer or Transmission Provider or Transmission Owner, Transmission Provider or Transmission Owner shall at Interconnection Customer's expense use efforts, similar in nature and extent to those that it typically undertakes on its own behalf or on behalf of its Affiliates, including use of its eminent domain authority, and to the extent consistent with state law, to procure from such persons any rights of use, licenses, rights of way and easements that are necessary to construct, operate, maintain, test, inspect, replace or remove Transmission Provider or Transmission Owner's Interconnection Facilities and/or Network Upgrades upon such property.

5.14 Permits.

Transmission Provider or Transmission 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, Transmission Provider or Transmission Owner shall provide permitting assistance to Interconnection Customer comparable to that provided to Transmission Provider's own, or an Affiliate's generation.

5.15 Early Construction of Base Case Facilities.

Interconnection Customer may request Transmission Provider to construct, and Transmission Provider shall construct, using Reasonable Efforts to accommodate Interconnection Customer's In-Service Date, all or any portion of any Network Upgrades required for Interconnection Customer to be interconnected to the Transmission 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.

5.16 Suspension.

Interconnection Customer reserves the right, upon written notice to Transmission Provider, to suspend at any time all work by Transmission Provider associated with the construction and installation of Transmission Provider's Interconnection Facilities and/or Network Upgrades required under this LGIA with the condition that Transmission System shall be left in a safe and reliable condition in accordance with Good Utility Practice and Transmission Provider's safety and reliability criteria. In such event, Interconnection Customer shall be responsible for all reasonable and necessary costs which Transmission Provider (i) has incurred pursuant to this LGIA prior to the suspension and (ii) incurs in suspending such work, including any costs incurred to perform such work as may be necessary to ensure the safety of persons and property and the integrity of the Transmission System during such suspension and, if applicable, any costs incurred in connection with the cancellation or suspension of material, equipment and labor contracts which Transmission Provider cannot reasonably avoid; provided, however, that prior to canceling or suspending any such material, equipment or labor contract, Transmission Provider shall obtain Interconnection Customer's authorization to do so. Transmission Provider shall invoice Interconnection Customer for such costs pursuant to Article 12 and shall use due diligence to minimize its costs. In the event Interconnection Customer suspends work by Transmission Provider required under this LGIA pursuant to this Article 5.16, and has not requested Transmission Provider to recommence the work required under this LGIA on or before the expiration of three (3) years following commencement of such suspension, this LGIA shall be deemed terminated. The three-year period shall begin on the date the suspension is requested, or the date of the written notice to Transmission Provider, if no effective date is specified.

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 Transmission Provider for the installation of Transmission Provider's Interconnection Facilities and the Network Upgrades shall be non-taxable, either as contributions to capital, or as an advance, in accordance with the Internal Revenue Code and any applicable state income tax laws and shall not be taxable as contributions in aid of construction or otherwise under the Internal Revenue Code and any applicable state income tax laws.

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 Large Generating Facility will pass to another party prior to the transmission of the electricity on the Transmission System, (ii) for income tax purposes, the amount of any payments and the cost of any property transferred to Transmission Provider for Transmission 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 Transmission 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 Large 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 Transmission Provider's request, Interconnection Customer shall provide Transmission Provider with a report from an independent engineer confirming its representation in clause (iii), above. Transmission Provider represents and covenants that the cost of Transmission 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 Transmission Provider.

Notwithstanding Article 5.17.1, Interconnection Customer shall protect, indemnify and hold harmless Transmission Provider from the cost consequences of any current tax liability imposed against Transmission Provider as the result of payments or property transfers made by Interconnection Customer to Transmission Provider under this LGIA for Interconnection Facilities, as well as any interest and penalties, other than interest and penalties attributable to any delay caused by Transmission Provider.

Transmission 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 LGIA unless (i) Transmission Provider has determined, in good faith, that the payments or property transfers made by Interconnection Customer to Transmission Provider should be reported as income subject to taxation or (ii) any Governmental Authority directs Transmission Provider to report payments or property as income subject to taxation; provided, however, that Transmission Provider may require Interconnection Customer to provide security for Interconnection Facilities, in a form reasonably acceptable to Transmission 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 Transmission 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 Transmission 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 Transmission 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 Transmission Provider, in addition to the amount paid for the Interconnection Facilities and Network Upgrades, an amount equal to (1) the current taxes imposed on Transmission Provider ("Current Taxes") on the excess of (a) the gross income realized by Transmission Provider as a result of payments or property transfers made by Interconnection Customer to Transmission Provider under this LGIA (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 Transmission 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 Transmission Provider's composite federal and state tax rates at the time the payments or property transfers are received and Transmission 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 Transmission Provider's anticipated tax depreciation deductions as a result of such payments or property transfers by Transmission Provider's current weighted average cost of capital. Thus, the formula for calculating Interconnection Customer's liability to Transmission 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, Transmission 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 Transmission Provider under this LGIA 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. Transmission Provider and Interconnection Customer shall cooperate in good faith with respect to the submission of such request.

Transmission 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. Transmission 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 Transmission 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 LGIA terminates and Transmission Provider retains ownership of the Interconnection Facilities and Network Upgrades, Interconnection Customer shall pay a tax gross-up for the cost consequences of any current tax liability imposed on Transmission 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 Transmission Provider's receipt of payments or property constitutes income that is subject to taxation, Transmission 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, Transmission Provider may appeal, protest, seek abatement of, or otherwise oppose such determination. Upon Interconnection Customer's written request and sole expense, Transmission 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. Transmission 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 Transmission 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 Transmission Provider on a periodic basis, as invoiced by Transmission Provider, Transmission Provider's documented reasonable costs of prosecuting such appeal, protest, abatement or other contest. At any time during the contest, Transmission Provider may agree to a settlement either with Interconnection Customer's consent or after obtaining written advice from nationally-recognized tax counsel, selected by Transmission 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 Transmission 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 Transmission Provider which holds that any amount paid or the value of any property transferred by Interconnection Customer to Transmission Provider under the terms of this LGIA is not subject to federal income taxation, (b) any legislative change or administrative announcement, notice, ruling or other determination makes it reasonably clear to Transmission Provider in good faith that any amount paid or the value of any property transferred by Interconnection Customer to Transmission Provider under the terms of this LGIA is not taxable to Transmission Provider, (c) any abatement, appeal, protest, or other contest results in a determination that any payments or transfers made by Interconnection Customer to Transmission Provider are not subject to federal income tax, or (d) if Transmission 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 Transmission Provider pursuant to this LGIA, Transmission 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 Transmission Provider for such taxes which Transmission Provider did not submit to the taxing authority, calculated in accordance with the methodology set forth in FERC's regulations at 18 CFR §35.19a(a)(2)(iii) from the date payment was made by Interconnection Customer to the date Transmission Provider refunds such payment to Interconnection Customer, and
- (iii) with respect to any such taxes paid by Transmission Provider, any refund or credit Transmission 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 Transmission Provider for such overpayment of taxes (including any reduction in interest otherwise payable by Transmission Provider to any Governmental Authority resulting from an offset or credit); provided, however, that Transmission Provider will remit such amount promptly to Interconnection Customer only after and to the extent that Transmission Provider has received a tax refund, credit or offset from any Governmental Authority for any applicable overpayment of income tax related to Transmission 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 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, Transmission Provider may appeal, protest, seek abatement of, or otherwise contest any tax (other than federal or state income tax) asserted or assessed against Transmission Provider for which Interconnection Customer may be required to reimburse Transmission Provider under the terms of this LGIA. Interconnection Customer shall pay to Transmission Provider on a periodic basis, as invoiced by Transmission Provider, Transmission Provider's documented reasonable costs of prosecuting such appeal, protest, abatement, or other contest. Interconnection Customer and Transmission Provider shall cooperate in good faith with respect to any such contest. Unless the payment of such taxes is a prerequisite to an appeal or abatement or cannot be deferred, no amount shall be payable by Interconnection Customer to Transmission Provider for such taxes until they are assessed by a final, non-appealable order by any court or agency of competent jurisdiction. In the event that a tax payment is withheld and ultimately due and payable after appeal, Interconnection Customer will be responsible for all taxes, interest and penalties, other than penalties attributable to any delay caused by Transmission Provider.

5.17.10 Transmission Owners Who Are Not Transmission Providers.

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

5.18 Tax Status.

Each Party shall cooperate with the other to maintain the other Party's tax status. Nothing in this LGIA is intended to adversely affect any Transmission 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 Large Generating Facility. The Party desiring to perform such work shall provide the relevant drawings, plans, and specifications to the other Party at least ninety (90) Calendar Days in advance of the commencement of the work or such shorter period upon which the Parties may agree, which agreement shall not unreasonably be withheld, conditioned or delayed.

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

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 LGIA, Applicable Reliability Standards 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 Transmission Provider makes to Transmission Provider's Interconnection Facilities or the Transmission System to facilitate the interconnection of a third party to Transmission Provider's Interconnection Facilities or the Transmission System, or to provide transmission service to a third party under Transmission Provider's Tariff. Interconnection Customer shall be responsible for the costs of any additions, modifications, or replacements to Interconnection Customer's Interconnection Facilities that may be necessary to maintain or upgrade such Interconnection Customer's Interconnection Facilities consistent with Applicable Laws and Regulations, Applicable Reliability Standards or Good Utility Practice.

Article 6. Testing and Inspection

6.1 Pre-Commercial Operation Date Testing and Modifications.

Prior to the Commercial Operation Date, Transmission Provider shall test Transmission Provider's Interconnection Facilities and Network Upgrades and Interconnection Customer shall test the Large Generating Facility and Interconnection Customer's Interconnection Facilities to ensure their safe and reliable operation. Similar testing may be required 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 Large 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 Large Generating Facility with the Transmission System in a safe and reliable manner. Each Party shall have the right, upon advance written notice, to require reasonable additional testing of the other Party's facilities, at the requesting Party's expense, as may be in accordance with Good Utility Practice.

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, at its own expense, to observe such testing.

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 LGIA.

Article 7. Metering**7.1 General.**

Each Party shall comply with the Applicable Reliability Council requirements. Unless otherwise agreed by the Parties, Transmission Provider shall install Metering Equipment at the Point of Interconnection prior to any operation of the Large Generating Facility and shall own, operate, test and maintain such Metering Equipment. Power flows to and from the Large Generating Facility shall be measured at or, at Transmission Provider's option, compensated to, the Point of Interconnection. Transmission Provider shall provide metering quantities, in analog and/or digital form, to Interconnection Customer upon request. Interconnection Customer shall bear all reasonable documented costs associated with the purchase, installation, operation, testing and maintenance of the Metering Equipment.

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 Transmission Provider's meters. Such check meters shall be for check purposes

only and shall not be used for the measurement of power flows for purposes of this LGIA, except as provided in Article 7.4 below. The check meters shall be subject at all reasonable times to inspection and examination by Transmission Provider or its designee. The installation, operation and maintenance thereof shall be performed entirely by Interconnection Customer in accordance with Good Utility Practice.

7.3 Standards.

Transmission Provider shall install, calibrate, and test revenue quality Metering Equipment in accordance with applicable ANSI standards.

7.4 Testing of Metering Equipment.

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

7.5 Metering Data.

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

Article 8. Communications

8.1 Interconnection Customer Obligations.

Interconnection Customer shall maintain satisfactory operating communications with Transmission Provider's Transmission System dispatcher or representative designated by Transmission Provider. Interconnection Customer shall provide standard voice line, dedicated voice line and facsimile communications at its Large Generating Facility control room or central dispatch facility through use of either the public telephone system, or a voice communications system that does not rely on the public telephone

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

8.2 Remote Terminal Unit.

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

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

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.

8.4 Provision of Data from a Variable Energy Resource

The Interconnection Customer whose Generating Facility is a Variable Energy Resource shall provide meteorological and forced outage data to the Transmission Provider to the extent necessary for the Transmission Provider's development and deployment of power production forecasts for that class of Variable Energy Resources. The Interconnection Customer with a Variable Energy Resource having wind as the energy source, at a minimum, will be required to provide the Transmission Provider with site-specific meteorological data including: temperature, wind speed, wind direction, and atmospheric pressure. The Interconnection Customer with a Variable Energy Resource having solar as the energy source, at a minimum, will be required to provide the Transmission Provider with site-specific meteorological data including: temperature, atmospheric pressure, and irradiance. The Transmission Provider and Interconnection Customer whose Generating Facility is a Variable Energy Resource shall mutually agree to any additional meteorological data that are required for the development and deployment of a power production forecast. The

Interconnection Customer whose Generating Facility is a Variable Energy Resource also shall submit data to the Transmission Provider regarding all forced outages to the extent necessary for the Transmission Provider's development and deployment of power production forecasts for that class of Variable Energy Resources. The exact specifications of the meteorological and forced outage data to be provided by the Interconnection Customer to the Transmission Provider, including the frequency and timing of data submittals, shall be made taking into account the size and configuration of the Variable Energy Resource, its characteristics, location, and its importance in maintaining generation resource adequacy and transmission system reliability in its area. All requirements for meteorological and forced outage data must be commensurate with the power production forecasting employed by the Transmission Provider. Such requirements for meteorological and forced outage data are set forth in Appendix C, Interconnection Details, of this LGIA, as they may change from time to time.

Article 9. Operations

9.1 General.

Each Party shall comply with the Applicable Reliability Council requirements. Each Party shall provide to the other Party all information that may reasonably be required by the other Party to comply with Applicable Laws and Regulations and Applicable Reliability Standards.

9.2 Control Area Notification.

At least three months before Initial Synchronization Date, Interconnection Customer shall notify Transmission Provider in writing of the Control Area in which the Large Generating

Facility will be located. If Interconnection Customer elects to locate the Large Generating Facility in a Control Area other than the Control Area in which the Large Generating Facility is physically located, and if permitted to do so by the relevant transmission tariffs, all necessary arrangements, including but not limited to those set forth in Article 7 and Article 8 of this LGIA, and remote Control Area generator interchange agreements, if applicable, and the appropriate measures under such agreements, shall be executed and implemented prior to the placement of the Large Generating Facility in the other Control Area.

9.3 Transmission Provider Obligations.

Transmission Provider shall cause the Transmission System and Transmission Provider's Interconnection Facilities to be operated, maintained and controlled in a safe and reliable manner and in accordance with this LGIA. Transmission Provider may provide operating instructions to Interconnection Customer consistent with this LGIA and Transmission Provider's operating protocols and procedures as they may change from time to time. Transmission Provider will consider changes to its operating protocols and procedures proposed by Interconnection Customer.

9.4 Interconnection Customer Obligations.

Interconnection Customer shall at its own expense operate, maintain and control the Large Generating Facility and Interconnection Customer's Interconnection Facilities in a safe and reliable manner and in accordance with this LGIA. Interconnection Customer shall operate the Large 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 LGIA. 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 LGIA.

9.5 Start-Up and Synchronization.

Consistent with the Parties' mutually acceptable procedures, Interconnection Customer is responsible for the proper synchronization of the Large Generating Facility to Transmission Provider's Transmission System.

9.6 Reactive Power.**9.6.1 Power Factor Design Criteria.**

Interconnection Customer shall design the Large Generating Facility to maintain a composite power delivery at continuous rated power output at the Point of Interconnection at a power factor within the range of 0.95 leading to 0.95 lagging, unless Transmission Provider has established different requirements that apply to all generators in the Control Area on a comparable basis. The requirements of this paragraph shall not apply to wind generators.

9.6.2 Voltage Schedules.

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

9.6.2.1 Governors and Regulators. Whenever the Large Generating Facility is operated in parallel with the Transmission System and the speed governors (if installed on the generating unit pursuant to

Good Utility Practice) and voltage regulators are capable of operation, Interconnection Customer shall operate the Large Generating Facility with its speed governors and voltage regulators in automatic operation. If the Large Generating Facility's speed governors and voltage regulators are not capable of such automatic operation, Interconnection Customer shall immediately notify Transmission Provider's system operator, or its designated representative, and ensure that such Large Generating Facility's reactive power production or absorption (measured in MVARs) are within the design capability of the Large Generating Facility's generating unit(s) and steady state stability limits. Interconnection Customer shall not cause its Large Generating Facility to disconnect automatically or instantaneously from the Transmission System or trip any generating unit comprising the Large Generating Facility for an under or over frequency condition unless the abnormal frequency condition persists for a time period beyond the limits set forth in ANSI/IEEE Standard C37.106, or such other standard as applied to other generators in the Control Area on a comparable basis.

9.6.3 Payment for Reactive Power.

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

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 or Network Upgrades that may impact the other Party's facilities as necessary to perform maintenance or testing or to install or replace equipment. Absent an Emergency Condition, the Party scheduling a removal of such facility(ies) from service will use

Reasonable Efforts to schedule such removal on a date and time mutually acceptable to the Parties. In all circumstances, any Party planning to remove such facility(ies) from service shall use Reasonable Efforts to minimize the effect on the other Party of such removal.

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

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

9.7.2 Interruption of Service.

If required by Good Utility Practice to do so, Transmission Provider may require Interconnection Customer to interrupt or reduce deliveries of electricity if such delivery of electricity could adversely affect Transmission Provider's ability to perform such activities as are necessary to safely and reliably operate and maintain the Transmission System. The following provisions shall apply to any interruption or reduction permitted under this Article 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 Transmission System;
- 9.7.2.3** When the interruption or reduction must be made under circumstances which do not allow for advance notice, Transmission Provider shall notify Interconnection Customer by telephone as soon as practicable of the reasons for the curtailment, interruption, or reduction, and, if known, its expected duration. Telephone notification shall be followed by written notification as soon as practicable;
- 9.7.2.4** Except during the existence of an Emergency Condition, when the interruption or reduction can be scheduled without advance notice, Transmission Provider shall notify Interconnection Customer in advance regarding the timing of such scheduling and further notify Interconnection Customer of the expected duration. Transmission Provider shall coordinate with Interconnection Customer using Good Utility Practice to schedule the interruption or reduction during periods of least impact to Interconnection Customer and Transmission Provider;
- 9.7.2.5** The Parties shall cooperate and coordinate with each other to the extent necessary in order to restore the Large Generating Facility, Interconnection Facilities, and the Transmission System to their normal operating state, consistent with system conditions and Good Utility Practice.

9.7.3 Under-Frequency and Over Frequency Conditions.

The Transmission System is designed to automatically activate a load-shed program as required by the Applicable Reliability Council in the event of an under-frequency system disturbance. Interconnection Customer shall implement under-frequency and over-frequency relay set points for the Large Generating Facility as required by the Applicable Reliability Council to ensure “ride through” capability of the Transmission System. Large Generating Facility response to frequency deviations of pre-determined magnitudes, both under-frequency and over-frequency deviations, shall be studied and coordinated with Transmission Provider in accordance with Good Utility Practice. The term “ride through” as used herein shall mean the ability of a Generating Facility to stay connected to and synchronized with the Transmission System during system disturbances within a range of under-frequency and over-frequency conditions, in accordance with Good Utility Practice.

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 Large Generating Facility or Interconnection Customer’s Interconnection Facilities.

Transmission Provider shall install at Interconnection Customer's expense any System Protection Facilities that may be required on Transmission Provider's Interconnection Facilities or the Transmission System as a result of the interconnection of the Large Generating Facility and Interconnection Customer's Interconnection Facilities.

9.7.4.2 Each Party's protection facilities shall be designed and coordinated with other systems in accordance with 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.

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 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, Interconnection Customer shall provide, install, own, and maintain relays, circuit breakers and all other devices necessary to remove any fault contribution of the Large Generating Facility to any short circuit occurring on the Transmission System not otherwise isolated by Transmission Provider's equipment, such that the removal of the fault contribution shall be coordinated with the protective requirements of the Transmission System. Such protective equipment shall include, without limitation, a disconnecting device or switch with load-interrupting capability located between the Large Generating Facility and the Transmission System at a site selected upon mutual agreement (not to be unreasonably withheld, conditioned or delayed) of the Parties. Interconnection Customer shall be responsible for protection of the Large Generating Facility and Interconnection Customer's other equipment from such conditions as negative sequence

currents, over- or under-frequency, sudden load rejection, over- or under-voltage, and generator loss-of-field. Interconnection Customer shall be solely responsible to disconnect the Large Generating Facility and Interconnection Customer's other equipment if conditions on the Transmission System could adversely affect the Large Generating Facility.

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. In the event of a conflict between ANSI Standard C84.1-1989, or any applicable superseding electric industry standard, ANSI Standard C84.1-1989, or the applicable superseding electric industry standard, shall control.

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 Large Generating Facility to the Transmission 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 Transmission Provider's Interconnection Facilities, or any part thereof, Interconnection Customer will be entitled to compensation for the capital expenses it incurred in connection with the Interconnection Facilities based upon the pro rata use of the Interconnection Facilities by Transmission Provider, all third party users, and Interconnection Customer, in accordance with Applicable Laws and Regulations or upon some other mutually-agreed upon methodology. In addition, cost responsibility for ongoing costs, including operation and maintenance costs associated with the Interconnection Facilities, will be allocated between Interconnection Customer and any third party users based upon the pro rata use of the Interconnection and any third party users based upon the pro rata use of the Interconnection Facilities by Transmission Provider, all third party users, and Interconnection Customer, in accordance with Applicable Laws and Regulations or upon some other mutually agreed upon methodology. If the issue of such compensation or allocation cannot be resolved through such negotiations, it shall be submitted to FERC for resolution.

9.10 Disturbance Analysis Data Exchange.

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

Article 10. Maintenance**10.1 Transmission Provider Obligations.**

Transmission Provider shall maintain the Transmission System and Transmission Provider's Interconnection Facilities in a safe and reliable manner and in accordance with this LGIA.

10.2 Interconnection Customer Obligations.

Interconnection Customer shall maintain the Large Generating Facility and Interconnection Customer's Interconnection Facilities in a safe and reliable manner and in accordance with this LGIA.

10.3 Coordination.

The Parties shall confer regularly to coordinate the planning, scheduling and performance of preventive and corrective maintenance on the Large Generating Facility and the Interconnection Facilities.

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 Transmission Provider's Interconnection Facilities.

Article 11. Performance Obligation

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 Transmission Provider's Interconnection Facilities.

Transmission Provider or Transmission Owner shall design, procure, construct, install, own and/or control the Transmission Provider's Interconnection Facilities described in Appendix A, Interconnection Facilities, Network Upgrades and Distribution Upgrades, at the sole expense of the Interconnection Customer.

11.3 Network Upgrades and Distribution Upgrades.

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

11.4 Transmission Credits.

11.4.1 Repayment of Amounts Advanced for Network Upgrades.

Interconnection Customer shall be entitled to a cash repayment, equal to the total amount paid to Transmission 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 Transmission Provider's Tariff and Affected System's Tariff for transmission services with respect to the Large 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.

Notwithstanding the foregoing, Interconnection Customer, Transmission Provider, and Affected System Operator may adopt any alternative payment schedule that is mutually agreeable so long as Transmission 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 Transmission 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. If the Large Generating Facility fails to achieve commercial operation, but it or another Generating Facility is later constructed and makes use of the Network Upgrades, Transmission Provider and Affected System Operator shall at that time reimburse Interconnection Customer for the amounts advanced for the Network Upgrades. 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 Transmission Provider provides, under the LGIA, 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 LGIA, nothing herein shall be construed as relinquishing or foreclosing any rights, including but not limited to firm transmission rights, capacity rights, transmission congestion rights, or transmission credits, that Interconnection Customer, shall be entitled to, now or in the future under any other agreement or tariff as a result of, or otherwise associated with, the transmission capacity, if any, created by the Network Upgrades, including the right to obtain cash reimbursements or transmission credits for transmission service that is not associated with the Large Generating Facility.

11.5 Provision of Security.

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

In addition:

- 11.5.1** The guarantee must be made by an entity that meets the creditworthiness requirements of Transmission Provider, and contain terms and conditions that guarantee payment of any amount that may be due from Interconnection Customer, up to an agreed-to maximum amount.
- 11.5.2** The letter of credit must be issued by a financial institution reasonably acceptable to Transmission Provider and must specify a reasonable expiration date.
- 11.5.3** The surety bond must be issued by an insurer reasonably acceptable to Transmission Provider and must specify a reasonable expiration date.

11.6 Interconnection Customer Compensation.

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

11.6.1 Interconnection Customer Compensation for Actions During Emergency Condition.

Transmission Provider or RTO or ISO shall compensate Interconnection Customer for its provision of real and reactive power and other Emergency Condition services that Interconnection Customer provides to support the Transmission System during an Emergency Condition in accordance with Article 11.6.

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 LGIA, 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 six months after completion of the construction of Transmission Provider's Interconnection Facilities and the Network Upgrades, Transmission Provider shall provide an invoice of the final cost of the construction of Transmission Provider's Interconnection Facilities and the Network Upgrades and shall set forth such costs in sufficient detail to enable Interconnection Customer to compare the actual costs with the estimates and to ascertain deviations, if any, from the cost estimates. Transmission Provider shall refund to Interconnection Customer any amount by which the actual payment by Interconnection Customer for estimated costs exceeds the actual costs of construction within thirty (30) Calendar Days of the issuance of such final construction invoice.

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 LGIA.

12.4 Disputes.

In the event of a billing dispute between Transmission Provider and Interconnection Customer, Transmission Provider shall continue to provide Interconnection Service under this LGIA as long as Interconnection Customer: (i) continues to make all payments not in dispute; and (ii) pays to Transmission Provider or into an independent escrow account the portion of the invoice in dispute, pending resolution of such dispute. If Interconnection Customer fails to meet these two requirements for continuation of service, then Transmission Provider may provide notice to Interconnection Customer of a Default pursuant to Article 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 in accord with the methodology set forth in FERC's regulations at 18 CFR § 35.19a(a)(2)(iii).

Article 13. Emergencies**13.1 Definition.**

"Emergency Condition" shall mean a condition or situation: (i) that in the judgment of the Party making the claim is imminently likely to endanger life or property; or (ii) that, in the case of Transmission Provider, is imminently likely (as determined in a non-discriminatory manner) to cause a material adverse effect on the security of, or damage to the Transmission System, Transmission Provider's Interconnection Facilities or the Transmission Systems of others to which the Transmission System is directly connected; or (iii) that, in the case of Interconnection Customer, is imminently likely (as determined in a non-discriminatory manner) to cause a material adverse effect on the security of, or damage to, the Large Generating Facility or Interconnection Customer's Interconnection Facilities' System restoration and black start shall be considered Emergency Conditions;

provided, that Interconnection Customer is not obligated by this LGIA to possess black start capability.

13.2 Obligations.

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

13.3 Notice.

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

13.4 Immediate Action.

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

13.5 Transmission Provider Authority.

13.5.1 General.

Transmission Provider may take whatever actions or inactions with regard to the Transmission System or Transmission Provider's Interconnection Facilities it deems necessary during an Emergency Condition in order to (i) preserve public health and safety, (ii) preserve the reliability of the Transmission System or Transmission Provider's Interconnection Facilities, (iii) limit or prevent damage, and (iv) expedite restoration of service.

Transmission Provider shall use Reasonable Efforts to minimize the effect of such actions or inactions on the Large Generating Facility or Interconnection Customer's Interconnection Facilities. Transmission Provider may, on the basis of technical considerations, require the Large Generating Facility to mitigate an Emergency Condition by taking actions necessary and limited in scope to remedy the Emergency Condition, including, but not limited to, directing Interconnection Customer to shut-down, start-up, increase or decrease the real or

reactive power output of the Large Generating Facility; implementing a reduction or disconnection pursuant to Article 13.5.2; directing Interconnection Customer to assist with blackstart (if available) or restoration efforts; or altering the outage schedules of the Large Generating Facility and Interconnection Customer's Interconnection Facilities.

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

13.5.2 Reduction and Disconnection.

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

13.6 Interconnection Customer Authority.

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

13.7 Limited Liability.

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

Article 14. Regulatory Requirements and Governing Law

14.1 Regulatory Requirements.

Each Party's obligations under this LGIA shall be subject to its receipt of any required approval or certificate from one or more Governmental Authorities in the form and substance satisfactory to the applying Party, or the Party making any required filings with, or providing notice to, such Governmental Authorities, and the expiration of any time period associated therewith. Each Party shall in good faith seek and use its Reasonable Efforts to obtain such other approvals. Nothing in this LGIA 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 LGIA and each of its provisions shall be governed by the laws of the state where the Point of Interconnection is located, without regard to its conflicts of law principles.

14.2.2 This LGIA 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 LGIA, 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 LGIA 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. Force Majeure**16.1 Force Majeure.**

16.1.1 Economic hardship is not considered a Force Majeure 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 Force Majeure. A Party unable to fulfill any obligation hereunder (other than an obligation to pay money when due) by reason of Force Majeure shall give notice and the full particulars of such Force Majeure to the other Party in writing or by telephone as soon as reasonably possible after the occurrence of the cause relied upon. Telephone notices given pursuant to this article shall be confirmed in writing as soon as reasonably possible and shall specifically state full particulars of the Force Majeure, the time and date when the Force Majeure occurred and when the Force Majeure is reasonably expected to cease. The Party affected shall exercise due diligence to remove such disability with reasonable dispatch, but shall not be required to accede or agree to any provision not satisfactory to it in order to settle and terminate a strike or other labor disturbance.

Article 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 Force Majeure as defined in this LGIA 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 LGIA by written

notice at any time until cure occurs, and be relieved of any further obligation hereunder and, whether or not that Party terminates this LGIA, to recover from the breaching Party all amounts due hereunder, plus all other damages and remedies to which it is entitled at law or in equity. The provisions of this article will survive termination of this LGIA.

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 LGIA 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.

Other than the Liquidated Damages heretofore described, in no event shall either Party be liable under any provision of this LGIA 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 LGIA, 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 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 LGIA 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 LGIA, 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 LGIA.

- 18.3.9** Within ten (10) days following execution of this LGIA, and as soon as practicable after the end of each fiscal year or at the renewal of the insurance policy and in any event within ninety (90) days thereafter, each Party shall provide certification of all insurance required in this LGIA, 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 LGIA.

Article 19. Assignment

19.1 Assignment.

This LGIA may be assigned by either Party only with the written consent of the other; provided that either Party may assign this LGIA without the consent of the other Party to any Affiliate of the assigning Party with an equal or greater credit rating and with the legal authority and operational ability to satisfy the obligations of the assigning Party under this LGIA; and provided further that Interconnection Customer shall have the right to assign this LGIA, without the consent of Transmission Provider, for collateral security purposes to aid in providing financing for the Large Generating Facility, provided that Interconnection Customer will promptly notify Transmission Provider of any such assignment. Any financing arrangement entered into by Interconnection Customer pursuant to this article will provide that prior to or upon the exercise of the secured party's, trustee's or mortgagee's assignment rights pursuant to said arrangement, the secured creditor, the trustee or mortgagee will notify Transmission Provider of the date and particulars of any such exercise of assignment right(s), including providing the Transmission Provider with proof that it meets the requirements of Articles 11.5 and 18.3. Any attempted assignment that violates this article is void and ineffective. Any assignment under this LGIA 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 LGIA is finally determined to be invalid, void or unenforceable by any court or other Governmental Authority having jurisdiction, such determination shall not invalidate, void or make unenforceable any other provision, agreement or covenant of this LGIA; provided that if Interconnection Customer (or any third party, but only if such third party is not acting at the direction of Transmission Provider) seeks and obtains such a final determination with respect to any provision of the Alternate Option (Article 5.1.2), or the Negotiated Option (Article 5.1.4), 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 Confidentiality.

Confidential Information shall include, without limitation, all information relating to a Party's technology, research and development, business affairs, and pricing, and any information supplied by either of the Parties to the other prior to the execution of this LGIA.

Information is Confidential Information only if it is clearly designated or marked in writing as confidential on the face of the document, or, if the information is conveyed orally or by inspection, if the Party providing the information orally informs the Party receiving the information that the information is confidential.

If requested by either Party, the other Party shall provide in writing, the basis for asserting that the information referred to in this Article 22 warrants confidential treatment, and the requesting Party may disclose such writing to the appropriate Governmental Authority. Each Party shall be responsible for the costs associated with affording confidential treatment to its information.

Transmission Provider may perform study work using WECC data (power flow, stability, and disturbance monitoring data) for nonmembers provided that the WECC data are not provided to the nonmember. Under such arrangements the nonmembers are permitted to look at the data in the Transmission Provider's office to gain an understanding of the study results, but are not permitted to have the data or a copy of the data. Interconnection Customer must also sign the WECC Nonmember Confidentiality Agreement in accordance with regional Reliability Council policies.

22.1.1 Term.

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

22.1.2 Scope.

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

Information designated as Confidential Information will no longer be deemed confidential if the Party that designated the information as confidential notifies the other Party that it no longer is confidential.

22.1.3 Release of Confidential Information.

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

22.1.4 Rights.

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

22.1.5 No Warranties.

By providing Confidential Information, neither Party makes any warranties or representations as to its accuracy or completeness. In addition, by supplying Confidential Information, neither Party obligates itself to provide any particular information or Confidential Information to the other Party nor to enter into any further agreements or proceed with any other relationship or joint venture.

22.1.6 Standard of Care.

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

22.1.7 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 with the terms of this LGIA. 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.

22.1.8 Termination of Agreement.

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

22.1.9 Remedies.

The Parties agree that monetary damages would be inadequate to compensate a Party for the other Party's Breach of its obligations under this Article 22. 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 22, 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 22, 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 22.

22.1.10 Disclosure to FERC, its Staff, or a State.

Notwithstanding anything in this Article 22 to the contrary, and pursuant to 18 CFR section 1b.20, if FERC or its staff, during the course of an investigation or otherwise, requests information from one of the Parties that is otherwise required to be maintained in confidence pursuant to this LGIA, the Party shall provide the requested information to FERC or its staff, within the time provided for in the request for information. In providing the information to FERC or its staff, the Party must, consistent with 18 CFR section 388.112, request that the information be treated as confidential and non-public by FERC and its staff and that the information be withheld from public disclosure. Parties are prohibited from notifying the other Party to this LGIA prior to the release of the Confidential Information to FERC or its staff. The Party shall notify the other Party to the LGIA when it is notified by FERC or its staff that a request to release Confidential Information has been received by FERC, at which time either of the Parties may respond before such information would be made public, pursuant to 18 CFR section 388.112. Requests from a state regulatory body conducting a confidential investigation shall be treated in a similar manner if consistent with the applicable state rules and regulations.

22.1.11 Subject to the exception in Article 22.1.10, any information that a Party claims is competitively sensitive, commercial or financial information under this LGIA (“Confidential Information”) shall not be disclosed by the other Party to any person not employed or retained by the other Party, except to the extent disclosure is (i) required by law; (ii) reasonably deemed by the disclosing Party to be required to be disclosed in connection with a dispute between or among the Parties, or the defense of litigation or dispute; (iii) otherwise permitted by consent of the other Party, such consent not to be unreasonably withheld; or (iv) necessary to fulfill its obligations under this LGIA or as a transmission service provider or a Control Area operator including disclosing the Confidential Information to an RTO or ISO or to a regional or national reliability organization. The Party asserting confidentiality shall notify the other Party in writing of the information it claims is confidential. Prior to any disclosures of the other Party’s Confidential Information under this subparagraph, or if any third party or Governmental Authority makes any request or demand for any of the information described in this subparagraph, the disclosing Party agrees to promptly notify the other Party in writing and agrees to assert confidentiality and cooperate with the other Party in seeking to protect the Confidential Information from public disclosure by confidentiality agreement, protective order or other reasonable measures.

Article 23. Environmental Releases

23.1 Environmental Releases.

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

Article 24. Information Requirements

24.1 Information Acquisition.

Transmission Provider and Interconnection Customer shall submit specific information regarding the electrical characteristics of their respective facilities to each other as described below and in accordance with Applicable Reliability Standards.

24.2 Information Submission by Transmission Provider.

The initial information submission by Transmission Provider shall occur no later than one hundred eighty (180) Calendar Days prior to Trial Operation and shall include Transmission System information necessary to allow Interconnection Customer to select equipment and meet any system protection and stability requirements, unless otherwise agreed to by the Parties. On a monthly basis Transmission Provider shall provide Interconnection Customer a status report on the construction and installation of Transmission Provider's Interconnection Facilities and Network 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. Interconnection Customer shall submit a completed copy of the Large Generating Facility data requirements contained in Appendix 1 to the LGIP. It shall also include any additional information provided to Transmission Provider for the Facilities Study. Information in this submission shall be the most current Large Generating Facility design or expected performance data. Information submitted for stability models shall be compatible with Transmission Provider standard models. If there is no compatible model, Interconnection Customer will work with a consultant mutually agreed to by the Parties to develop and supply a standard model and associated information.

If Interconnection Customer's data is materially different from what was originally provided to Transmission Provider pursuant to the Interconnection Study Agreement between Transmission Provider and Interconnection Customer, then Transmission

Provider will conduct appropriate studies to determine the impact on Transmission Provider Transmission System based on the actual data submitted pursuant to this Article 24.3. The Interconnection Customer shall not begin Trial Operation until such studies are completed.

24.4 Information Supplementation.

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

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

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

Article 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 LGIA; and (ii) carry out its obligations and responsibilities under this LGIA. 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 LGIA.

25.2 Reporting of Non-Force Majeure Events.

Each Party (the “notifying Party”) shall notify the other Party when the notifying Party becomes aware of its inability to comply with the provisions of this LGIA for a reason other than a Force Majeure event. The Parties agree to cooperate with each other and provide necessary information regarding such inability to comply, including the date, duration, reason for the inability to comply, and corrective actions taken or planned to be taken with respect to such inability to comply. Notwithstanding the foregoing, notification, cooperation or information provided under this article shall not entitle the Party receiving such notification to allege a cause for anticipatory breach of this LGIA.

25.3 Audit Rights.

Subject to the requirements of confidentiality under Article 22 of this LGIA, each Party shall have the right, during normal business hours, and upon prior reasonable notice to the other Party, to audit at its own expense the other Party’s accounts and records pertaining to either Party’s performance or either Party’s satisfaction of obligations under this LGIA. Such audit rights shall include audits of the other Party’s costs, calculation of invoiced amounts, Transmission Provider’s efforts to allocate responsibility for the provision of reactive support to the Transmission System, Transmission Provider’s efforts to allocate responsibility for interruption or reduction of generation on the Transmission System, and each Party’s actions in an Emergency Condition. Any audit authorized by this article shall be performed at the offices where such accounts and records are maintained and shall be limited to those portions of such accounts and records that relate to each Party’s performance and satisfaction of obligations under this LGIA. 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 Transmission Provider’s Interconnection Facilities and Network Upgrades shall be subject to audit for a period of twenty-four months following Transmission 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 LGIA 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 LGIA shall prevent a Party from utilizing the services of any subcontractor as it deems appropriate to perform its obligations under this LGIA; provided, however, that each Party shall require its subcontractors to comply with all applicable terms and conditions of this LGIA in providing such services and each Party shall remain primarily liable to the other Party for the performance of such subcontractor.

26.2 Responsibility of Principal.

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

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 Submission.

In the event either Party has a dispute, or asserts a claim, that arises out of or in connection with this LGIA or its performance, such Party (the "disputing Party") shall provide the other Party with written notice of the dispute or claim ("Notice of Dispute").

Such dispute or claim shall be referred to a designated senior representative of each Party for resolution on an informal basis as promptly as practicable after receipt of the Notice of Dispute by the other Party. In the event the designated representatives are unable to resolve the claim or dispute through unassisted or assisted negotiations within thirty (30) Calendar Days of the other Party's receipt of the Notice of Dispute, such claim or dispute may, upon mutual agreement of the Parties, be submitted to arbitration and resolved in accordance with the arbitration procedures set forth below. In the event the Parties do not agree to submit such claim or dispute to arbitration, each Party may exercise whatever rights and remedies it may have in equity or at law consistent with the terms of this LGIA.

27.2 External Arbitration Procedures.

Any arbitration initiated under this LGIA shall be conducted before a single neutral arbitrator appointed by the Parties. If the Parties fail to agree upon a single arbitrator within ten (10) Calendar Days of the submission of the dispute to arbitration, each Party shall choose one arbitrator who shall sit on a three-member arbitration panel. The two arbitrators so chosen shall within twenty (20) Calendar Days select a third arbitrator to

chair the arbitration panel. In either case, the arbitrators shall be knowledgeable in electric utility matters, including electric transmission and bulk power issues, and shall not have any current or past substantial business or financial relationships with any party to the arbitration (except prior arbitration). The arbitrator(s) shall provide each of the Parties an opportunity to be heard and, except as otherwise provided herein, shall conduct the arbitration in accordance with the Commercial Arbitration Rules of the American Arbitration Association ("Arbitration Rules") and any applicable FERC regulations or RTO rules; provided, however, in the event of a conflict between the Arbitration Rules and the terms of this Article 27, the terms of this Article 27 shall prevail.

27.3 Arbitration Decisions.

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

27.4 Costs.

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

Article 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 Large Generating Facility, Interconnection Facilities and Network Upgrades owned by such Party, as applicable, are located; and that it has the corporate power and authority to own its properties, to carry on its business as now being conducted and to enter into this LGIA and carry out the transactions contemplated hereby and perform and carry out all covenants and obligations on its part to be performed under and pursuant to this LGIA.

28.1.2 Authority.

Such Party has the right, power and authority to enter into this LGIA, to become a Party hereto and to perform its obligations hereunder. This LGIA 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 LGIA 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 LGIA will seek or obtain, each consent, approval, authorization, order, or acceptance by any Governmental Authority in connection with the execution, delivery and performance of this LGIA, and it will provide to any Governmental Authority notice of any actions under this LGIA that are required by Applicable Laws and Regulations.

Article 29. Joint Operating Committee**29.1 Joint Operating Committee.**

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

29.1.1 Establish data requirements and operating record requirements.

- 29.1.2** Review the requirements, standards, and procedures for data acquisition equipment, protective equipment, and any other equipment or software.
- 29.1.3** Annually review the one (1) year forecast of maintenance and planned outage schedules of Transmission Provider's and Interconnection Customer's facilities at the Point of Interconnection.
- 29.1.4** Coordinate the scheduling of maintenance and planned outages on the Interconnection Facilities, the Large Generating Facility and other facilities that impact the normal operation of the interconnection of the Large Generating Facility to the Transmission System.
- 29.1.5** Ensure that information is being provided by each Party regarding equipment availability.
- 29.1.6** Perform such other duties as may be conferred upon it by mutual agreement of the Parties.

Article 30. Miscellaneous

30.1 Binding Effect.

This LGIA 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 the body of this LGIA and any attachment, appendices or exhibits hereto, the terms and provisions of the body of this LGIA shall prevail and be deemed the final intent of the Parties.

30.3 Rules of Interpretation.

This LGIA, unless a clear contrary intention appears, shall be construed and interpreted as follows: (1) the singular number includes the plural number and vice versa; (2) reference to any person includes such person's successors and assigns but, in the case of a Party, only if such successors and assigns are permitted by this LGIA, and reference to a person in a particular capacity excludes such person in any other capacity or individually; (3) reference to any agreement (including this LGIA), document, instrument or tariff means such agreement, document, instrument, or tariff as amended or modified and in effect from time to time in accordance with the terms thereof and, if applicable, the terms hereof; (4) reference to any Applicable Laws and Regulations means such Applicable Laws and Regulations as amended, modified, codified, or reenacted, in whole or in part, and in effect from time to time, including, if applicable, rules and regulations promulgated thereunder; (5) unless expressly stated otherwise, reference to any Article, Section or Appendix means such Article of this LGIA or such Appendix to this LGIA, or such Section to the LGIP or such Appendix to the LGIP, as the case may be; (6) "hereunder", "hereof", "herein", "hereto" and words of similar import shall be deemed references to this LGIA 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 LGIA, including all 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 LGIA. There are no other agreements, representations, warranties, or covenants which constitute any part of the consideration for, or any condition to, either Party’s compliance with its obligations under this LGIA.

30.5 No Third Party Beneficiaries.

This LGIA 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 LGIA to insist, on any occasion, upon strict performance of any provision of this LGIA will not be considered a waiver of any obligation, right, or duty of, or imposed upon, such Party.

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

30.7 Headings.

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

30.8 Multiple Counterparts.

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

30.9 Amendment.

The Parties may by mutual agreement amend this LGIA 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 LGIA by a written instrument duly executed by the Parties. Such amendment shall become effective and a part of this LGIA upon satisfaction of all Applicable Laws and Regulations.

30.11 Reservation of Rights.

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

30.12 No Partnership.

This LGIA 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 LGIA in duplicate originals, each of which shall constitute and be an original effective Agreement between the Parties.

Nevada Power Company d/b/a NV Energy

By: Shahzad Latief
7CE3BF9CB7E64C6...

Title: ice President, Transmission

Date: 12/18/2018

Harry Allen Solar Energy LLC.

By: James McWilliams
DF8D1D349D224B6...

Title: ice President

Date: 12/18/2018

LGIA Appendix A: Interconnection Facilities, Network Upgrades and Distribution Upgrades

HARRY ALLEN SOLAR ENERGY LLC. – Company 139

Type of Interconnection Service: Network Resource Interconnection Service

Generating Facility Capacity: 100 MW net at the Point of Interconnection

Total Generating Facility Nameplate: 105.6 MVA gross from thirty-three (33) 3.2 MVA Solar Inverters

Point of Interconnection:

The Point of Interconnection will be the point where the Interconnection Customer's owned 230 kV lead-line from the Interconnection Customer's Substation intersects the 2332/2333 terminal position at the Transmission Provider's 230 kV Harry Allen Substation. See the one-line diagram in Appendix C.

Point of Change of Ownership:

The Point of Change of Ownership will be the point where the Interconnection Customer's 230 kV transmission lead line terminates on the Transmission Provider-owned dead-end switch structure. See Drawing A-1 in Appendix C.

Nominal Delivery Voltage: 230 kV

Metering Voltage: 230 kV

1. Interconnection Facilities

(a) Interconnection Customer's Interconnection Facilities: -

1) **Interconnection Customer Generation Facility Requirements, Facility to Include:**

- a. Out of Step generator tripping protection;
- b. One (1) 230/34.5 kV 125 MVA generator step-up transformer (GSU), located at the Interconnection Customer's Substation;
- c. One (1) 230 kV breaker at the Interconnection Customer's Substation, located on the high side of the main GSU transformer as indicated in Drawing A-1 in Appendix C; and
- d. Primary substation service power (3 phase, 480 V, typical);

2) **Interconnection Customer Generator Lead Line Requirements, Lead Line to Include:**

- a. Approximately 0.6 miles of 3-954 Aluminum Conductor Steel Reinforced (ACSR) conductor from the Harry Allen Solar Energy 230/34.5 kV Substation to the 230 kV dead-end switch structure. The termination structure's preliminary location is:
 - i. 36.425889⁰, 114.914402⁰
- b. Overhead lead line to be designed with static wire(s) and adequate overvoltage protection from lightning surges;
 - i. Optical Ground Wire (OPGW) may be used to fulfil this requirement.
- c. Lead-line and structures to be built in accordance with Good Utility Practices; and
- d. Fiber Optic Cable as described by the interconnection communications requirements.

3) **Interconnection Customer Generating Facility Protection Requirements:**

- a. Interconnection Customer will install generating facility protection and dual SEL-311L 230 kV line protection relays at the Harry Allen Solar Energy Substation;
 - i. The 230 kV line protection relays in the protection package must be compatible with the Schweitzer Engineering Laboratories (SEL) relays that Transmission Provider will install at the Harry Allen 230 kV Substation;
- b. Line protection will be a communication aided scheme utilizing Interconnection Customer-installed two (2) independent digital high speed protection communication circuits between the Harry Allen 230 kV substation and the Interconnection Customer's substation are required. The Interconnection Customer must submit the protection and communications plan to the Transmission Provider for review and concurrence prior to construction;
- c. Interconnection Customer to install generator out-of-step protection and
- d. Interconnection Customer will provide the line protection scheme to the Transmission Provider for review, comment, and approval prior to construction.

4) **Interconnection Customer's Communication Requirements:**

- a. The Interconnection Customer will install two (2) Fiber Optic Cable communications circuits for high speed protection communications on the generator lead-line
 - i. The Fiber Optic communications path will facilitate communications between the Interconnection Customer protection relays at the Interconnection Customer's Substation and the Transmission Provider relays at the Harry Allen 230 kV Substation;
 - ii. The Interconnection Customer will install the Fiber Optic Cable from the Interconnection Customer's Substation to the Point of Change of Ownership Structure;

- iii. Fiber communications must be coordinated with the Interconnection Customer owned protection relays; and
- iv.
- v. Interconnection Customer to provide infrastructure to deliver fiber into the control building.
- b. The Interconnection Customer will provide and deliver a T-1 service along with any T-1 circuit isolation gear required by the local T-1 provider;
 - i. The T-1 line will originate at the Transmission Provider's telecommunications equipment location at the Interconnection Customer's facility and terminate at a place to be specified by the Transmission Provider;
 - ii. The dedicated T-1 leased telecommunications line must be provided by the customer for the Transmission Provider's Telephony, SCADA, Metering and Protection requirements and use;
- c. Interconnection Customer will provide a ring down phone and/or 24-hour contact for Transmission Provider Energy System Control Center (ESCC);
- d. Interconnection Customer will provide one dial up telephone line continuously capable of a 9600 baud rate minimum at any given time for the new 230 kV meter that will be located at the Interconnection Customer's Substation as indicated in Drawing 1 in Appendix C; and
 - i. Note: If the ring down phone and metering telecommunication circuits are via copper circuits and connecting to Transmission Provider telecom equipment, then Ground Protection Rise isolation is expected and is the responsibility of Interconnection Customer, per applicable industry standards.
- e. Interconnection Customer will provide a temperature-controlled space located in the control room located at the Interconnection Customer's Generating Facility;
 - i. Interconnection Customer will provide a suitable area (temperature controlled) for two (2) 8-foot tall 26-inch wide racks or cabinets for the Transmission Provider's communications and protection equipment to be installed at the Interconnection Customer's plant. A minimum working space of three feet is required to be provided on front and back of these racks. Provisions for the following must be made:
 - a) Interconnection Customer will provide two (2) Direct Current (DC) load centers dedicated to Transmission Provider's communication equipment at a minimum of 20 Amperes each. The DC voltage will be identified during the coordination meetings between Interconnection Customer and Transmission Provider. These load centers are to provide both primary and back-up power sources for the Transmission Provider's equipment; and
 - b) Conduit and/or cable trays to provide connectivity from the Transmission Provider's rack space area to Interconnection Customer's main telecommunications board.
 - ii. Interconnection Customer must provide a separate exterior entrance to Transmission Provider for this dedicated area;
 - iii. Space for Transmission Provider's equipment in the control building must be isolated with chain-linked fencing and secured for Transmission Provider's access only; and

- f. Interconnection Customer to provide 24-hour access to all of Transmission Providers facilities without limitations. Interconnection Customer will provide a 125 volt DC Battery backup with a minimum of twelve hour support; and
- g. Detailed Communications and Protection Requirements are outlined in Appendix C.
- 5) **Interconnection Customer's Generating Facility Metering Requirements:**
 - a. The 230 kV meter will be located on the high-side of the Interconnection Customer's transformer at the Interconnection Customer's Substation;
 - b. Interconnection Customer will transport the 230 kV metering instrument transformers (CT's and PT's) provided by the Transmission Provider from the Transmission Provider's warehouse to the generator site; The metering units will be released only if the Interconnection Customer's metering structure is ready, already inspected, approved by the Transmission provider, and there are no more heavy equipment activities around the area of installation that can possibly damage the units.
 - c. The Transmission Provider will procure the 230 kV metering instrument transformers (CT's and PT's) and provide the instrument transformers to the Interconnection Customer for installation. Interconnection Customer will install the 230 kV metering instrument transformers (CT's and PT's) provided by the Transmission Provider, connect the primary leads to the instrument transformers, and run the secondary leads to the metering structure. The TP will make the connections from the secondary leads to the meter;
 - d. Interconnection Customer will design, purchase and install a Transmission Provider approved structure for mounting the Transmission Provider's metering units, meter class instrument transformers (PTs and CTs) in a Transmission Provider approved location. The meter structure with the installed metering instruments must be designed to meet the Transmission Provider's safety clearances, standard design requirements, and accessibility to the Transmission Provider's meter personnel. Drawings, design calculations, and equipment shall be reviewed and approved by the Transmission Provider prior to installation;
 - i. Interconnection Customer to provide a separate wall space for the metering cabinet and equipment; the Interconnection Customer shall install a Transmission Provider supplied metering cabinets (30" x 30" x 16") at an approved location in the Interconnection Customer's control building, per Transmission Provider's specification;
 - ii. Separate communications and power cabling is required through separate conduits.
 - iii. Provide appropriately sized junction/pullbox at the meter structure and install one and a half inch diameter conduits for termination of CT/PT wirings. Install 1-3" diameter conduit from the junction/pullbox to meter enclosure at NVE room. Cables and wirings for metering shall be provided and pulled by the Interconnection Customer per Transmission Provider's sizing and specification.
 - e. CT secondary wirings shall be strictly 4/conductor #8AWG (stranded) with color coding Black, Blue, Red & White. PT secondary wirings shall be strictly 5/conductor #10AWG (stranded) with color coding Black, Blue, Red, White & Green. All cables shall be rated for 600V application. Metering potential circuit fuses shall be 10A slow

blow to be provided by Interconnection Customer. The Interconnection Customer will provide a dedicated 125 V DC circuit and phone line to the meter; and

f. Spare Instrument Transformers:

- i. The Transmission Provider does not stock spare instrument transformers. Spare instrument transformers may be procured by the Transmission Provider to provide back-up metering capability at the Interconnection Customer's expense. The Interconnection Customer may request that the Transmission Provider procure spare instrument transformers at the Interconnection Customer's expense to be stored at the Interconnection Customer's site for the purposes of replacing instrument transformers in the event of failure. The Interconnection Customer has elected to **not** purchase spare instrument transformers and accepts the associated risk.
- ii. The associated risk of not purchasing spare instrument transformers in the event of instrument transformer failure includes prolonged outages (approximately 6 months) and additional costs for expedited ordering and shipping.

6) **Interconnection Customer's Permitting Requirements:**

- a. Interconnection Customer to submit all relevant Federal, State, County and local land use permitting and Right-Of-Way applications to the Transmission Provider for review and concurrence **prior** to submittal to the applicable agency.
 - i. Failure to secure Transmission Provider's concurrence prior to submittal of permitting or Right-of-Way applications to the respective agency can result in requiring the Interconnection Customer to resubmit or amend permitting documentation to meet Transmission Provider's satisfaction which may delay the project In-Service schedule significantly.
 - ii. The Transmission Provider's concurrence shall not be unreasonably withheld, conditioned, or delayed.
- b. Subsequent to receiving Transmission Provider's concurrence, the Interconnection Customer will acquire all Federal, State, County, and Local land use and environmental permits and authorizations required in order to build, operate, and maintain the Generating Facility, Interconnection Customer Interconnection Facilities, Transmission Provider's Interconnection Facilities, and Network Upgrades to include (but not limited to):
 - i. All permits related to the generator plant facilities including fencing, grading and access roads;
 - ii. Any permits required to interconnect the Interconnection Customer's generator lead-line to the Transmission Provider Interconnection Facilities at the Point of Change of Ownership;
 - iii. Appropriate authorizations and/or assignments related to Interconnection Customer's rights under Interconnection Customer's Federal Right of Way (ROW) Grant which authorizes Transmission Provider to install or otherwise take necessary action to interconnect Transmission Provider's Interconnection Facilities associated with this project.
 - iv. All Federal authorizations including the Standard Form-299 (SF-299) application. Interconnection Customer's Standard Form-299 application including, among other things:

- a) Transmission Provider's dead-end switch structure. The final location of the dead-end structure must be approved by Transmission Provider's generation engineering and Land Resources departments along with any other necessary Transmission Provider department(s); Additions to Transmission Provider's Harry Allen 230kV Substation;
 - b) All access roads to the Interconnection Customer's Substation;
 - c) Access road to the dead-end switch structure; road to be an all-weather, adequate access road, minimum 20 feet in width or an approved width by Transmission Provider;
 - d) Approximately 0.6 miles of 3-954 generator lead-line with OPGW or equivalent from Interconnection Customer's Substation to a dead-end switch structure outside of the Harry Allen land grant areas under BLM ROW Grants N-12873 and N-74510; and
- v. Final Plan of Development and SF299 to be reviewed and approved by Transmission Provider before submittal to BLM and final application package for the special Use Permit and all other final submittals that incorporate Transmission Provider's facilities must be reviewed and approved by Transmission Provider's before final submittal.
- vi. Once the project is built and operational, the Interconnection Customer will support Transmission Provider, to the extent necessary, in obtaining all documentation related to the assignment of the necessary rights under BLM ROW Grant obtained by the Interconnection Customer. The assignment of the necessary rights under Interconnection Customer's BLM ROW Grant will include the area impacted by the Transmission Provider's Interconnection Facilities associated with this project; an application will be submitted once the Transmission Provider is satisfied that all environmental and other stipulations have been met (i.e., work areas have been adequately restored, plants have been salvaged appropriately, Section 7 form completed and submitted back to the BLM post –construction etc.)
 - a) The Interconnection Customer will finalize and execute the BLM Right of Way application and assignment document within 60 days of the energization of the Transmission Provider Interconnection Facilities;
 - b) The Interconnection Customer will support the Transmission Provider, to the extent necessary, in obtaining all documentation related to the assignment of the necessary rights under BLM ROW Grant obtained by the Interconnection Customer once the project construction is complete;
 - c) The assignment of the necessary rights under Interconnection Customer's BLM ROW Grant will include the area impacted by Transmission Provider's Interconnection Facilities and Network Upgrades associated with this project. See Drawing A-1.
- vii. All Federal Aviation Administration determination of no hazard or other applicable FAA approvals, as required;
- viii. All State Lands, roadway, and environmental permits;
- ix. All dust control permits. Dust control permits inclusive of the following:

- a) Interconnection Customer's transmission lead-line inclusive of the Transmission Provider's dead-end switch structure adjacent to the Harry Allen 230 kV Substation; and
 - b) Interconnection Customer's Generating Facility plant.
- x. All reclamation activities must be completed and accepted by appropriate agencies;
- xi. All Storm water permits, as necessary and applicable;
- xii. All Special Use Permits and applicable Variances; and
- xiii. Any other land rights as deemed necessary by Transmission Provider to perform its obligations under this Agreement, with such land rights being granted on Transmission Provider's standard template.
- c. The Interconnection Customer and the Transmission Provider will execute an Access to Equipment Easement Agreement to secure Transmission Provider's access to communications and metering equipment located at the Interconnection Customer Generating Facility sites. The Transmission Provider will record the Access to Equipment Easement Agreement with the Clark County Recorder.
- d. The Interconnection Customer will provide 24 hour access to all of Transmission Provider's facilities without limitations, upon reasonable notice from Transmission Provider and subject to Interconnection Customer's safety and other applicable procedures. The Interconnection Customer will acquire the Utility Environmental Protection Act (UEPA) permit for all the facilities required for the Interconnection inclusive of the following:
 - i. Interconnection Customer Interconnection Facilities;
 - ii. Transmission Provider Interconnection Facilities; and
 - iii. Network Upgrades.
 - a) The Interconnection Customer must coordinate with the Transmission Provider for the UEPA requirements for the Transmission Provider Interconnection Facilities and Network Upgrades;
 - b) The Transmission Provider will provide to the Interconnection Customer a detailed description of the facilities required inclusive of scope, costs and schedule, per the milestones in Appendix B;
 - c) The Interconnection Customer will include the description provided by the Transmission Provider in the UEPA submittal; and prior to construction, the Interconnection Customer IC will transfer the UEPA Permit to Construct for the Transmission Provider Interconnection Facilities and the Network Upgrades to the Transmission Provider.
- e. Transmission Provider shall cooperate with Interconnection Customer's efforts to obtain any such permits.

(b) Transmission Provider's Interconnection Facilities:**1) 230 kV Substation Entrance, termination structure and switch:**

- a. Transmission Provider will design, procure and install a 230 kV transmission getaway from Harry Allen Substation;
- b. Transmission Provider will design, procure and construct four new 230 kV structures with 1-954 ACSR conductor per phase to the termination structure outside the Harry Allen land grant areas under BLM ROW Grants N-12873 and N-74510;
- c. Transmission Provider will design, procure and construct the Point of Change of Ownership Structure consisting of a 230 kV dead end structure and 230 kV switch;
 - i. The preliminary location identified for the dead-end structure is:
 36.427374^0 , 114.912018^0
- d. Transmission Provider will install relays at Harry Allen 230 kV Substation dedicated to the Interconnection Customer's Transmission Line;

2) Telecommunications at the Interconnection Customer's Site:

- a. Transmission Provider will purchase and install one (1) Remote Terminal Unit (RTU) and necessary communications equipment for the required SCADA from the new Generating Facility;
- b. Transmission Provider will purchase and install a multiplexer on the T-1 line for the Generating Facility; and
- c. Transmission Provider will purchase and install miscellaneous communication cables and link equipment as required.

3) Metering at the Interconnection Customer's Site:

- a. Transmission Provider will purchase metering class current transformers and potential transformers (CT's and PT's) and provide them to the Interconnection Customer for installation;
- b. Transmission Provider will purchase and install one (1) 230 kV ION revenue quality meter at Interconnection Customer's Generating Facility compensated to the Point of Interconnection; and
- c. If the Generating Facility is comprised of multiple phases with different off-takers, the Transmission Provider will require a common high-side meter and individual high-side metering per phase for Energy Imbalance Market purposes, which will allow each phase to be separately metered and separately scheduled for Energy Imbalance Market purposes. It is the Interconnection Customer's responsibility to notify the Transmission Provider of multiple phases prior to construction of the project. The Interconnection Customer will implement metering in compliance with the Transmission Provider's posted Energy Imbalance Market business practice posted on the Transmission Provider's OASIS website.

4) Communications at Harry Allen Substation to integrate Interconnection Customer's lead line:

- a. Transmission Provider to install SCADA required for protection equipment and connection to dual fiber feeds at Harry Allen 230 kV Substation.

5) Protection Coordination:

- a. Transmission Provider will review, coordinate with and provide acceptance for the Interconnection Customer's engineered 230 kV lead line protection.

6) Lands Interface and Access to Equipment Agreement:

- a. Transmission Provider will support the Interconnection Customer's efforts in acquiring land rights for the 230 kV dead-end switch structure and located adjacent to the new Harry Allen land grant areas under BLM ROW Grants N-12873 and N-74510;
- b. Transmission Provider will review Interconnection Customer's plant site permitting documents and provide support in relation to Transmission Provider's facilities at the plant site; and
- c. Transmission Provider will draft and execute an Access to Equipment Agreement with the Interconnection Customer.

7) Environmental Interface:

- a. Transmission Provider will coordinate the environmental work with the Interconnection Customer for the 230 kV termination structure, and switch located adjacent to the Harry Allen land grant areas under BLM ROW Grants N-12873 and N-74510;
- b. Transmission Provider will assist Interconnection Customer in transferring BLM Right of Way and related permits originally obtained by the Interconnection Customer for the 230 kV termination structure, and switch located adjacent to the Harry Allen 230 kV Substation grant area.

2. Network Upgrades (NU):**(a) Stand Alone Network Upgrades: None****(b) Individual Network Upgrades:****1) Harry Allen 230 kV Substation Terminal:**

- a. The Transmission Provider will design a new terminal to be located between the future #2332 and #2333 breakers at the Harry Allen 230 kV Substation;
- b. Transmission Provider to procure and install two (2) new 230 kV circuit breakers in the #2332 and #2333 positions including:
 - i. Four disconnects; and
 - ii. Associated relays and protection schemes;

(c) Shared Network Upgrades: None**(d) Distribution Upgrades:****1) None****3. Affected System Upgrades:****(a) Affected System Upgrades – The following Affected System Upgrades have been determined to be needed in order to mitigate disturbances on and maintain the reliability of Affected Systems directly or indirectly interconnected to Transmission System.****1) None****4. Ownership:****(a) Upon completion of construction, the Parties shall have ownership of the facilities as follows:**

- 1) Interconnection Customer's Interconnection Facilities shall be owned by the Interconnection Customer;

- 2) Transmission Provider's Interconnection Facilities shall be owned by the Transmission Provider;
- 3) Stand Alone Network Upgrades shall be owned by the Transmission Provider;
- 4) Network Upgrades shall be owned by the Transmission Provider; and
- 5) Distribution Upgrades shall be owned by the Transmission Provider.

5. Operation and Maintenance Responsibilities:

(a) Upon completion of construction, the Parties shall have responsibilities for operation and maintenance of the Interconnection Facilities, Network Upgrades and Distribution Upgrades as follows:

- 1) Interconnection Customer's Interconnection Facilities shall be operated and maintained by the Interconnection Customer;
- 2) Transmission Provider's Interconnection Facilities shall be operated and maintained by the Transmission Provider and paid for by the Interconnection Customer;
- 3) Stand Alone Network Upgrades shall be operated and maintained by the Transmission Provider;
- 4) Network Upgrades shall be operated and maintained by the Transmission Provider; and
- 5) Distribution Upgrades shall be operated and maintained by the Transmission Provider.

(b) The Interconnection Customer shall be responsible for the payment of the actual costs incurred by the Transmission Provider for operation and maintenance of the Transmission Provider's Interconnection Facilities consistent with Article 10.5 of this Agreement.

6. Cost Estimate & Responsibilities:

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

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

1) **\$1,700,000** - Interconnection Customer funded, Transmission Provider owned.

COMPANY 139 INTERCONNECTION COSTS		
Project Component	Scope Description	TPIF \$M's
Lands / Environmental	Generator permitting support	\$0.055
	Environmental permitting support	\$0.085
Communication	Communications work at Harry Allen substation to integrate Customer's fiber	\$0.110
	RTU at Customer's Site	\$0.110
Transmission Lines	Substation Entrance at Harry Allen	\$1.100
Metering	High side metering at Generator site	\$0.220
Substation/ Protection	System Protection Facilities and Protection review/coordination of plant settings	\$0.020
	TOTAL	\$1.700

All Costs will be trued to actual after the completion of the Project and all costs have been recorded, consistent with Article 12.2 of this LGIA and these estimates do not include any tax gross-up.

(c) Individual Network Upgrades (NU):

- 1) **\$2,100,000** - Interconnection Customer shall provide security/collateral pursuant to Article 11 of the LGIA and Attachment L of the Open Access Transmission Tariff.

COMPANY 139 INTERCONNECTION COSTS		
Project Component	Scope Description	Network Upgrade \$M's
Substation/ Protection	Harry Allen Terminal addition	\$2.100
	TOTAL	\$2.100

(d) Shared Network Upgrades: None \$ 0 - Responsibility of the Interconnection Customer.

(e) Distribution Upgrades: \$ 0 - Responsibility of the Interconnection Customer.
 1. None

All Costs will be trued to actual after the completion of the Project and all costs have been recorded. These estimates do not include any tax gross-up.

7. Appendix G: Interconnection Requirements for a Wind Generating Plant:

The Parties agree that Appendix G is not applicable.

LGIA Appendix B: Milestones

Company 139 Milestones		
Interconnection Customer's Project Milestones		Date
<u>1</u>	Interconnection Customer to contact Transmission Provider to schedule regular project meetings	upon execution
<u>2</u>	Interconnection Customer to provide \$100,000 Cash for TPIF Preliminary Project Management	Completed 10/16/2015
<u>3</u>	Interconnection Customer to initiate application for Telecommunications Service	upon execution
<u>4</u>	Interconnection Customer to provide Transmission Provider with certification of all insurance pursuant to Article 18.3.9 of the LGIA	Within 10 business days of execution
<u>5</u>	Pursuant to Section 11.3 of the LGIP the Interconnection Customer shall provide either (a) reasonable evidence that continued Site Control or (b) posting of \$250,000 non-refundable additional security which shall be applied toward future construction costs	within 15 Business Days of execution of this LGIA
<u>6</u>	Interconnection Customer to provide \$700,000 Cash for TPIF project engineering, design and procurement	12/1/2018
<u>7</u>	Interconnection Customer to provide an irrevocable Letter of Credit in the amount of \$600,000 for Network Upgrade project engineering, design and procurement	1/1/2019
<u>8</u>	Interconnection Customer to provide completed documentation (e.g. signed Right of Entries) to Transmission Provider allowing for site access, survey, and study work	2/1/2019
<u>9</u>	Interconnection Customer to provide Transmission Provider with drafts of all right-of-way and permitting applications for Transmission Provider equipment	2/1/2019
<u>10</u>	Interconnection Customer to submit all required permit applications and/or amendments to permit applications for Transmission Provider equipment	3/1/2019
<u>11</u>	Interconnection Customer to provide Control Room Preliminary Dimension Design to Transmission Provider	2/1/2019
<u>12</u>	Interconnection Customer to provide One-line with Protection Scheme Descriptions and Relay Settings to Transmission Provider	9/1/2019
<u>13</u>	Interconnection Customer to increase the irrevocable Letter of Credit by \$1,500,000 LOC to a total amount of \$2,100,000 for Network Upgrade project construction	9/1/2019
<u>14</u>	Interconnection Customer to provide Transmission Provider with copies of completed permits from all required federal, state, county & local entities including, but not limited to, Right-of-Way Grant (BLM), final UEPA (PUCN), Special Use Permits, Grading Permits, Building Permits, etc.	9/1/2019
<u>15</u>	Interconnection Customer to provide BLM issued Notice to Proceed (NTP) to Transmission Provider	9/1/2019
<u>16</u>	Interconnection Customer to provide completed Energy Imbalance Market Resource Data Template with attachments	12/1/2019

Agreed to by:

For the Transmission Provider

DocuSigned by:

Shahzad Lateef

Date 12/18/2018

7CE3BF9CB7E04C8...

For the Interconnection Customer

DocuSigned by:

James McWilliams

Date 12/18/2018

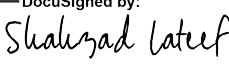
DF8D1D349D224B6...

Interconnection Customer's Milestones Continued

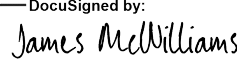
17	Interconnection Customer to provide copies of tortoise fees, BLM rentals, copy of the final environmental documents (i.e., EA, Cat Ex, POD, Restoration Plan) including any company-specify Interconnection Customer environmental compliance policies and the final BLM grants.	12/1/2019
18	Interconnection Customer to provide documentation/verification and executed easements to Transmission Provider for all access roads	12/1/2019
19	Interconnection Customer to provide full access to the Generating Facility Substation including subgrade complete and accepted by Transmission Provider	1/1/2020
20	Interconnection Customer to provide the transformer Factory Acceptance Testing (FAT) data to the Transmission Provider	3/1/2020
21	Interconnection Customer to provide signed Grant of Easement, Access Agreement, and other required documents to Transmission Provider	2/1/2020
22	Interconnection Customer to provide \$900,000 Cash for TPIF construction	1/1/2020
23	Interconnection Customer to complete access roads to the dead-end switch structure Point of Change of Ownership and the Generating Facility	1/1/2020
24	Interconnection Customer to complete all installations of conduits with pull strings and make available for Transmission Provider use	2/1/2020
25	Interconnection Customer to provide DC load centers dedicated for Transmission Provider communications equipment and RTU	2/1/2020
26	Interconnection Customer to complete Control Room construction with cable trays and conduits and provide full access to Transmission Provider	2/1/2020
27	Interconnection Customer to Provide T-1 line from Generator Control Room to the Transmission Provider's Energy System Control Center	2/1/2020
28	Interconnection Customer to Provide dial up line to meter	2/1/2020
29	Interconnection Customer to complete installation of Generator Facility protection relays	2/1/2020
30	Interconnection Customer to complete installation of Meter Structure including PT/CT and meter cabinet	2/1/2020
31	Interconnection Customer to provide 125 Volt DC power to meter cabinet	2/1/2020
32	Interconnection Customer to provide 24 hour access number to Transmission Provider or ring down line from Generator Control Room ESCC	2/1/2020
33	Interconnection Customer to initiate application for Standby Service	3/1/2020
34	Interconnection Customer to provide either: (1) documentation showing how the Interconnection Customer will meet the IRS Notice 2016-36 "Safe Harbor" provision or (2) Cash to the Transmission Provider for CIAC tax gross up for the Transmission Provider Interconnection Facilities at the applicable rate	4/1/2020
35	Interconnection Customer to provide Transmission Provider operation plan for generator start up	at least one month prior to In-Service Date

Agreed to by:

For the Transmission Provider

DocuSigned by:

 7CE3BF9CB7E64C6... Date 12/18/2018

For the Interconnection Customer

DocuSigned by:

 DF8D1D349D224B6... Date 12/18/2018

Interconnection Customer's Milestones Continued

36	Interconnection Customer to complete Interconnection Customer Interconnection Facilities (provide notice to Transmission Provider in writing)	Notice must be provided at least 1 week prior to In-Service Date
37	Interconnection Customer to execute a Standby Service Agreement	at least one week prior to In-Service Date
38	Interconnection Customer to initiate generator pre-energization meeting	Notice must be given at least 1 week prior to holding the meeting
39	Interconnection Customer and Transmission Provider to hold Pre-energization Meeting to review final Operating Procedures provided by the Transmission Provider	at least one week prior to In-Service Date
40	Interconnection Customer to commence sending the WECC 4 day forecast availability notice to the Transmission Provider	Four (4) days prior to In-Service Date
41	Interconnection Customer to provide a letter to the Transmission Provider acknowledging in writing that all plant systems are adequately protected and have been tested prior to energization	Must be completed prior to the In-Service date with written notice by the Interconnection Customer to the Transmission Provider
42	Interconnection Customer Facility Calibration and Trip Testing - Interconnection Customer to Coordinate with the Transmission Provider	Must be completed prior to the In-Service date with written notice by the Interconnection Customer to the Transmission Provider
43	Interconnection Customer and Transmission Provider to complete the PRC-001 System Protection Coordinator Letter	Prior to In-Service Date
44	In-Service Date	6/1/2020
45	Generator Testing Start Date - Provide notice to Transmission Provider	within 15 days of Commercial Operation Date
46	Interconnection Customer to complete LGIA Appendix E and provide to the Transmission Provider when it is ready to declare COD	within 1 day of Commercial Operation Date
47	Commercial Operation Date - Provide notice to Transmission Provider	10/1/2020
48	Interconnection Customer to complete Section 7 form and submit to BLM for "Transmission Provider Interconnection Facilities" - provide Transmission Provider copy of submittal for review	30 days after In-Service Date
49	Interconnection Customer to sign Transmission Provider's SF 299 for assignment of ROW Grant to Transmission Provider for the Transmission Provider Interconnection Facilities	30 days after In-Service Date
50	Interconnection Customer to execute an Access to Equipment Easement Agreement to the Transmission Provider for the Transmission Provider's Interconnection Facilities at the Interconnection's Customer's Plant Site.	60 days after In-Service Date


Agreed to by:

For the Transmission Provider

DocuSigned by:

 7CE3BF9EB7E64C6... Date 12/18/2018

For the Interconnection Customer

DocuSigned by:

 DF8B4B349D224B6... Date 12/18/2018

Interconnection Customer's Milestones Continued

51	Interconnection Customer to provide written notice to the Transmission Provider detailing how it continually meets the Safe Harbor Provision	10/1/2021
52	Interconnection Customer to provide written notice to the Transmission Provider detailing how it continually meets the Safe Harbor Provision	10/1/2022
53	Interconnection Customer to provide written notice to the Transmission Provider detailing how it continually meets the Safe Harbor Provision	10/2/2023
54	Interconnection Customer to provide written notice to the Transmission Provider detailing how it continually meets the Safe Harbor Provision	10/1/2024
55	Interconnection Customer to provide written notice to the Transmission Provider detailing how it continually meets the Safe Harbor Provision	10/1/2025
56	Interconnection Customer to provide written notice to the Transmission Provider detailing how it continually meets the Safe Harbor Provision	10/1/2026
57	Interconnection Customer to provide written notice to the Transmission Provider detailing how it continually meets the Safe Harbor Provision	10/2/2027
58	Interconnection Customer to provide written notice to the Transmission Provider detailing how it continually meets the Safe Harbor Provision	10/1/2028
59	Interconnection Customer to provide written notice to the Transmission Provider detailing how it continually meets the Safe Harbor Provision	10/1/2029
60	Interconnection Customer to provide written notice to the Transmission Provider detailing how it continually meets the Safe Harbor Provision	10/1/2030

Transmission Provider Milestones		Date
1	Transmission Provider Interconnection Facilities and Network Upgrades Completed Provided that all necessary approvals by Governmental Authorities are received, Interconnection Customer's required facilities are constructed, tested and ready for service per Interconnection Customer milestones above, and the Interconnection Customer has provided required securities and notices to the Transmission Provider per Interconnection Customer milestones above.	6/1/2020 provided that all necessary approvals by Governmental Authorities are received, Interconnection Customer's required facilities are constructed, tested and ready for service per Interconnection Customer milestones above, and the Interconnection Customer has provided required securities and notices to the Transmission Provider per Interconnection Customer milestones above.

Agreed to by:

For the Transmission Provider

DocuSigned by:
Shahzad Lateef
 7GE3BF9CB7E64C6... Date 12/18/2018

For the Interconnection Customer

DocuSigned by:
James McWilliams
 DF8D1D349D224B6... Date 12/18/2018

LGIA Appendix C: Interconnection Details

HARRY ALLEN SOLAR ENERGY LLC. – Company 139

Type of Interconnection Service: Network Resource Interconnection Service

Generating Facility Capacity: 100 MW net at the Point of Interconnection

Total Generating Facility Nameplate: 105.6 MVA gross from thirty-three (33) 3.2 MVA Solar Inverters

Point of Interconnection:

The Point of Interconnection will be the point where the Interconnection Customer's owned 230 kV lead-line from the Interconnection Customer's Substation intersects the 2332/2333 terminal position at the Transmission Provider's 230 kV Harry Allen Substation. See the one-line diagram in Appendix C.

Point of Change of Ownership:

The Point of Change of Ownership will be the point where the Interconnection Customer's 230 kV transmission lead line terminates on the Transmission Provider-owned termination structure located adjacent to the Harry Allen land grant areas under BLM ROW Grants N-12873 and N-74510. See Drawing A-1 in Appendix C.

Nominal Delivery Voltage: 230 kV

Metering Voltage: 230 kV

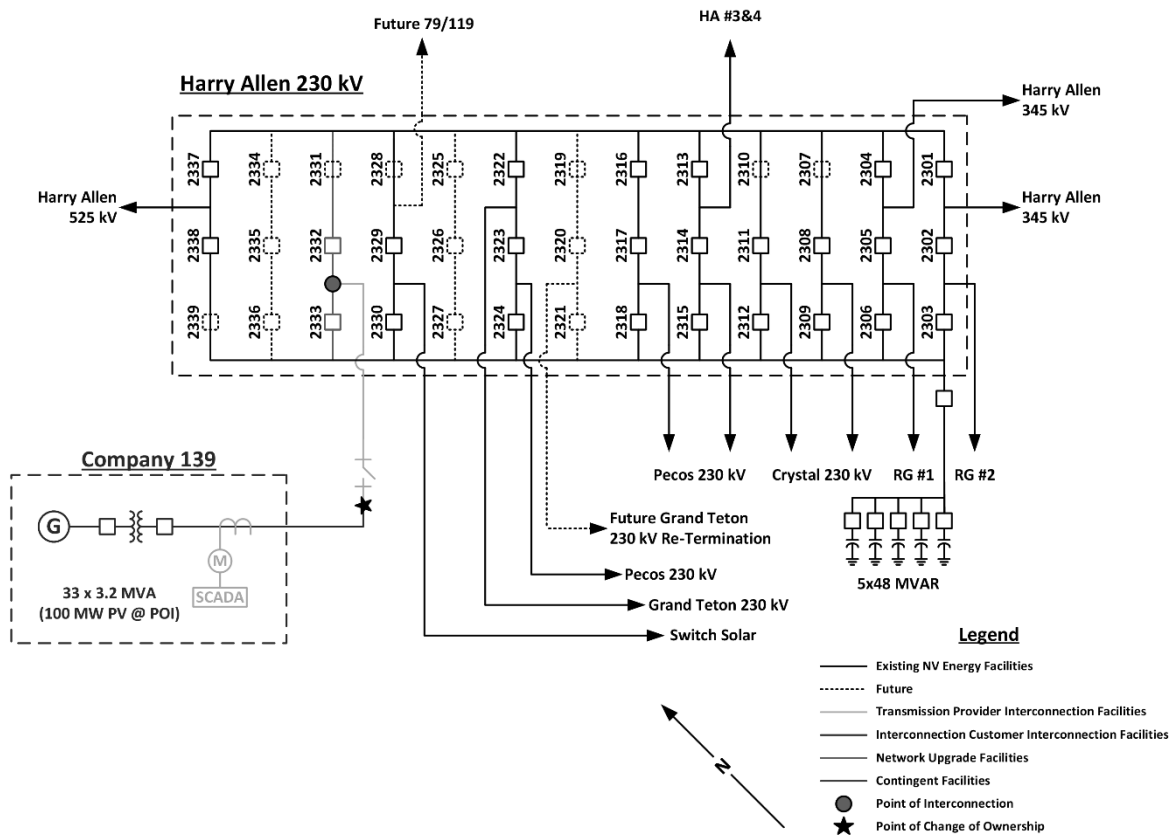
Generating Facility Communications and Protection Requirements:

1. Communications Requirements—Generating Facility Telemetry:
 - a. Generating Facility telemetry outputs:
 - i. Generator Plant total MW, MVAR, 3-phase amps, 3-phase volts (L-G referred to L-L) and accumulated MW-hr in and out. Fiber will be required if the distance between the meter and the Transmission Provider's RTU exceeds 1500 feet.
 - b. Hard-wired open/closed indication for transformer circuit breaker/circuit switcher to Transmission Provider's ESCC;
 - c. Plant transformer protection lockout status (one for each transformer);
 - d. Condition signal indicating status of percentage of plant output availability to ESCC Control Room on a continuous basis;
 - e. Interconnection Customer to provide SCADA capability to transmit real-time data output from the weather measurement equipment of the solar PV plant (Global and Point of Array diffuse Solar Radiance, Ambient Temperature and Wind Speed). Data collection shall be provided by customer from each individual (if more than one) weather station totalized such that there is one indication per point. Customer shall provide data using Transmission Provider accepted protocol or hardwired directly to Transmission Provider's RTU;
 - f. Interconnection Customer shall provide forecasted hourly solar plant energy production data consistent with WECC-defined operational planning requirements and Energy Imbalance Market requirements, (1 week forecast) including updates to all forecast hourly output values no less frequently than once per calendar day. Such forecasts shall be based on numerical weather prediction (NWP) models. Interconnection Customer shall provide data using Transmission Provider accepted protocol directly to Transmission Provider.
 - g. Interconnection Customer shall provide any environmental data that may impact the percentage of the Generating Facility output availability (i.e. low temperature, high wind and/or trip settings);
 - h. Tripped/Reset indication of all GSU and line protection lockouts – totalized such that there is one indication per GSU;
 - i. Load Tap Changer (LTC) indication tap position and manual on/off indication (if GSUs are equipped with LTC); and
 - j. Note—RTU at plant to which output will be delivered is to be designated as the master RTU. The Interconnection Customer will supply an interface that will allow the Transmission Provider's RTU to be the master (polling) device.
2. Generating Facility control points – Transmission Provider will require the following control points:
 - a. Trip control of transformer main 230 kV breaker

3. Checklist of items that must be completed prior to proceeding with any start up and synchronization for Interconnection Customer's plant:
- a. Review by Transmission Provider of Interconnection Customer's protection settings for coordination purposes;
 - b. Interconnection Customer must perform both calibration and functional trip tests of its System Protection Facilities and report results back to Transmission Provider;
 - c. Complete communications required;
 - d. SCADA indications at plant substation operational with full Transmission Provider ESCC access;
 - e. Adequate voice communication at Interconnection Customer's substation (cell or land line at sub);
 - f. Transmission Provider to trip test Interconnection Customer's main interrupting device(s) from the RTU control point;
 - g. Interconnection Customer to acknowledge in writing that all plant systems are adequately protected and have been tested; and
 - h. Interconnection Customer and Transmission Provider to have start up and in service process meetings one (1) week prior to start-up and in service event.

LGIA Appendix C:
One-Line Diagram

	Harry Allen 230 kV	10/29/2018
---	--------------------	------------



LGIA Appendix D: Security Arrangements Details

Infrastructure security of Transmission System equipment and operations and control hardware and software is essential to ensure day-to-day Transmission System reliability and operational security. FERC will expect all Transmission Providers, market participants, and Interconnection Customers interconnected to the Transmission System to comply with the recommendations offered by the President's Critical Infrastructure Protection Board and, eventually, best practice recommendations from the electric reliability authority. All public utilities will be expected to meet basic standards for system infrastructure and operational security, including physical, operational, and cyber-security practices.

LGIA Appendix E: Commercial Operation Date

This Appendix E is a part of the LGIA between Transmission Provider and Interconnection Customer.

[Date]

[Transmission Provider Address]

Re: _____ Large Generating Facility

Dear _____:

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

Thank you.

[Signature]

[Interconnection Customer Representative]

LGIA Appendix F: Addresses for Delivery of Notices and Billings

Notices:

Unless otherwise provided in this Agreement, any written notice demand, or request required or authorized in connection with this Agreement ("Notice") shall be deemed properly given if delivered in person, delivered by recognized national courier service, or sent by first class mail, postage prepaid, to the person specified below:

Transmission Provider

Transmission Provider: Nevada Power Company d/b/a NV Energy
Attention: Manager, Transmission Business Services
Address: 6100 Neil Road or PO Box 10100
City: Reno State: NV Zip: 89511
Phone: 775-834-4802 Fax: 775-834-3047
E-Mail: TransmissionPolicy@nvenergy.com

Interconnection Customer

Interconnection Customer: Harry Allen Solar Energy LLC
Attention: Asset Manager
Address: One South Wacker Drive Suite 1800
City: Chicago State: IL Zip: 60606
Phone: 312-224-1400 Fax: 312-224-1444
E-Mail: EStrickland@invenergyluc.com

Billings and Payments:

Billings and payments shall be sent to the addresses set out below:

Transmission Provider: Nevada Power Company d/b/a NV Energy
Attention: Manager, Transmission Business Services
Address: 6100 Neil Road or PO Box 10100
City: Reno State: NV Zip: 89511
Phone: 775-834-4802 Fax: 775-834-3047
E-Mail: TransmissionPolicy@nvenergy.com

Interconnection Customer

Interconnection Customer: Harry Allen Solar Energy LLC
Attention: Asset Manager
Address: One South Wacker Drive Suite 1800
City: Chicago State: IL Zip: 60606
Phone: 312-224-1400 Fax: 312-224-1444
E-Mail: EStrickland@invenergyluc.com

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

Any notice or request required or permitted to be given by either party to the other and not required by this Agreement to be given in writing may be so given by telephone, facsimile or e-mail to the telephone numbers and e-mail addresses set out below:

Transmission Provider:

Transmission Provider: Nevada Power Company d/b/a NV Energy
Attention: Project Manager
Address: 6100 Neil Road or PO Box 10100
City: Reno State: NV Zip: 89511
Phone: 775-834-3881 Fax: 775-834-3047
E-Mail: TransmissionPolicy@nvenergy.com

Interconnection Customer

Interconnection Customer: Harry Allen Solar Energy LLC
Attention: General Counsel
Address: One South Wacker Drive Suite 1800
City: Chicago State: IL Zip: 60606
Phone: 312-224-1400 Fax: 312-224-1444
E-Mail: NHoeppner@invenergyllc.com

Designated Operating Executive:

The Parties may also designate operating representatives to conduct the communications which may be necessary or convenient for the administration of this agreement. This person will also serve as the point of contact with respect to operations and maintenance of the Party's facilities.

Transmission Provider:

Transmission Provider: Nevada Power Company d/b/a NV Energy
Attention: Director, Grid Operations and Reliability
Address: 6100 Neil Road or PO Box 10100
City: Reno State: NV Zip: 89511
Phone: 775-834-3776 Fax: 775-834-3047
E-Mail: ESCCOperations@nvenergy.com

Interconnection Customer

Interconnection Customer: Harry Allen Solar Energy LLC
Attention: ICC Manager or Control Room Operator
Address: One South Wacker Drive Suite 1800
City: Chicago State: IL Zip: 60606
Phone: 312-582-1588 Fax: 630-424-0763
E-Mail: icc@invenergyllc.com

Changes to the Notice Information

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

LGIA Appendix G: Interconnection Requirements For A Wind Generating Plant

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

A. Technical Standards Applicable to a Wind Generating Plant

i. Low Voltage Ride-Through (LVRT) Capability

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

Transition Period LVRT Standard

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

1. Wind generating plants are required to remain in-service during three-phase faults with normal clearing (which is a time period of approximately 4 – 9 cycles) and single line to ground faults with delayed clearing, and subsequent post-fault voltage recovery to prefault voltage unless clearing the fault effectively disconnects the generator from the system. The clearing time requirement for a three-phase fault will be specific to the wind generating plant substation location, as determined by and documented by the transmission provider. The maximum clearing time the wind generating plant shall be required to withstand for a three-phase fault shall be 9 cycles at a voltage as low as 0.15 p.u., as measured at the high side of the wind generating plant step-up transformer (i.e. the transformer that steps the voltage up to the transmission interconnection voltage or “GSU”), after which, if the fault remains following the location-specific normal clearing time for three-phase faults, the wind generating plant may disconnect from the transmission system.
2. This requirement does not apply to faults that would occur between the wind generator terminals and the high side of the GSU or to faults that would result in a voltage lower than 0.15 per unit on the high side of the GSU serving the facility.
3. Wind generating plants may be tripped after the fault period if this action is intended as part of a special protection system.
4. Wind generating plants may meet the LVRT requirements of this standard by the performance of the generators or by installing additional equipment (e.g., Static VAR

Compensator, etc.) within the wind generating plant or by a combination of generator performance and additional equipment.

5. Existing individual generator units that are, or have been, interconnected to the network at the same location at the effective date of the Appendix G LVRT Standard are exempt from meeting the Appendix G LVRT Standard for the remaining life of the existing generation equipment. Existing individual generator units that are replaced are required to meet the Appendix G LVRT Standard.

Post-transition Period LVRT Standard

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

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

ii. Power Factor Design Criteria (Reactive Power)

A wind generating plant shall maintain a power factor within the range of 0.95 leading to 0.95 lagging, measured at the Point of Interconnection as defined in this LGIA, if the Transmission Provider's System Impact Study shows that such a requirement is necessary to ensure safety or reliability. The power factor range standard can be met by using, for example, power electronics designed to supply this level of reactive capability 606 (taking into account any limitations due to voltage level, real power output, etc.) or fixed and switched capacitors if agreed to by the Transmission Provider, or a combination of the two. The Interconnection Customer shall not disable power factor equipment while the wind plant is in operation. Wind plants shall also be able to provide sufficient dynamic voltage support in lieu of the power system stabilizer and automatic voltage regulation at the generator excitation system if the System Impact Study shows this to be required for system safety or reliability.

iii. Supervisory Control and Data Acquisition (SCADA) Capability

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