

PUBLIC UTILITY DISTRICT NO. 2 OF GRANT COUNTY, WASHINGTON

OPEN ACCESS TRANSMISSION TARIFF (“Tariff”)

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I. COMMON SERVICE PROVISIONS

1. DEFINITIONS

A capitalized term that is not defined in this Tariff shall have the official NERC definition, if one exists.

1.1 Affiliate:

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

1.2 Ancillary Services:

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

1.3 Annual Transmission Costs:

The total annual cost of the Transmission System for purposes of Network Integration Transmission Service shall be the amount specified in Attachment H until amended by Transmission Provider.

1.4 Application:

A request by an Eligible Customer for transmission service pursuant to the provisions of the Tariff.

1.5 Balancing Authority (BA):

The responsible entity that integrates resource plans ahead of time, maintains Demand and resource balance within a Balancing Authority Area, and supports interconnection frequency in real time.

1.6 Balancing Authority Area (BAA):

The collection of generation, transmission, and loads within the metered boundaries of the Balancing Authority. The Balancing Authority maintains load-resource balance within this area.

1.7 Business Day:

The days Monday through Friday, excluding NERC holidays, Presidents Day, Veterans Day, Martin Luther King Jr. Day, Juneteenth, and Native American Heritage Day.

1.8 Commission:

The Federal Energy Regulatory Commission.

1.9 Completed Application:

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

1.10 Curtailment:

A reduction in firm or non-firm transmission service in response to a transfer capability shortage as a result of system reliability conditions.

1.11 Delivering Party:

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

1.12 Delivery Point:

Point of Delivery

1.13 Demand:

1. The rate at which electric energy is delivered to or by a system or part of a system, generally expressed in kilowatts or megawatts, at a given instant or averaged over any designated interval of time.

2. The rate at which energy is being used by the customer.

1.14 Designated Agent:

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

1.15 Direct Assignment Facilities:

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

1.16 Eligible Customer:

Any electric utility (including Transmission Provider and any power marketer), Federal power marketing agency, or any person generating electric energy for sale or resale is an Eligible Customer under the Tariff. Electric energy sold or produced by such entity may be electric energy produced in the United States, Canada, or Mexico. Retail customers are not eligible for service under this Tariff.

1.17 Environmental Study:

A study that will evaluate potential environmental and cultural resource impacts associated with a proposed Transmission Service request by a Transmission Customer. The Environmental Study will include, but not be limited to, habitat assessments, biological assessments, wetland delineations, cultural resource surveys, environmental site assessments, and property ownership and land right determinations. In addition, the Environmental Study will also evaluate potential environmental, cultural, and/or land use

authorizations and permits that may be necessary prior to work occurring.

1.18 Facilities Study:

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

1.19 Firm Point-To-Point Transmission Service:

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

1.20 Good Utility Practice:

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

1.21 Grant PUD Commission:

The publicly elected officials that govern Public Utility District No. 2 of Grant County, Washington, a municipal corporation as defined in Chapter 54.12 RCW.

1.22 Integration/Regulation Service:

The provision of the difference between the instantaneous output of a generation facility and the scheduled output of the facility. Integration/Regulation Service provides the necessary incremental and decremental capacity to allow the Balancing Authority to deliver the scheduled output from the generation facility.

1.23 Interruption:

A reduction in non-firm transmission service due to economic reasons pursuant to Section 14.7.

1.24 Load Ratio Share:

Ratio of a Transmission Customer's Network Load to Transmission Provider's total load computed in accordance with Sections 34.2 and 34.3 of the Network Integration Transmission Service under Part III of the Tariff and calculated on a rolling twelve-month basis.

1.25 Load Shedding:

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

1.26 Long-Term Firm Point-To-Point Transmission Service:

Firm Point-To-Point Transmission Service under Part II of the Tariff with a term of one year or more.

1.27 Native Load Customers:

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

1.28 NERC:

The North American Electric Reliability Corporation, or its successor, to which the Commission has delegated authority to act as the Electric Reliability Organization for North America, and which develops and enforces electric system reliability standards for North America.

1.29 Network Customer:

An entity receiving transmission service pursuant to the terms of Transmission Provider's Network Integration Transmission Service under Part III of the Tariff.

1.30 Network Integration Transmission Service:

The transmission service provided under Part III of the Tariff.

1.31 Network Load:

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

1.32 Network Operating Agreement:

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

1.33 Network Operating Committee:

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

1.34 Network Resource:

Any designated generating resource owned, purchased or leased by a Network Customer for the purpose of using Network Integration Transmission Service.

Network Resources do not include any resource, or any portion thereof, that is committed for sale to third parties or otherwise cannot be called upon to meet the Network Customer's Network Load on a non-interruptible basis, except for purposes of fulfilling obligations under a reserve sharing program.

1.35 Network Upgrades:

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

1.36 Non-Firm Point-To-Point Transmission Service:

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

1.37 Non-Firm Sale:

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

1.38 Open Access Same-Time Information System (OASIS):

An electronic posting system that the Transmission Service Provider maintains or subscribes to for the posting of transmission access data and that allows all transmission customers to view the data simultaneously, and/or a webpage or a collection of webpages on which information and links relevant this Tariff are posted.

1.39 Part I:

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

1.40 Part II:

Tariff Sections 13 through 27 pertaining to Point-To-Point Transmission Service in conjunction with the applicable Common Service Provisions of Part I and appropriate Schedules and Attachments.

1.41 Part III:

Tariff Sections 28 through 35 pertaining to Network Integration Transmission Service in conjunction with the applicable Common Service Provisions of Part I and appropriate Schedules and Attachments.

1.42 Parties:

Transmission Provider and Transmission Customer receiving service under the Tariff.

1.43 Point(s) of Delivery:

Point(s) on Transmission Provider's Transmission System where capacity and energy transmitted by Transmission Provider will be made available to the Receiving Party under Part II of the Tariff. The Point(s) of Delivery shall be specified in the Service Agreement for Long-Term Firm Point-To-Point Transmission Service.

1.44 Point(s) of Receipt:

Point(s) of interconnection on Transmission Provider's Transmission System where capacity and energy will be made available to Transmission Provider by the Delivering Party under Part II of the Tariff. The Point(s) of Receipt shall be specified in the Service Agreement for Long-Term Firm Point-To-Point Transmission Service.

1.45 Point-To-Point Transmission Service:

The reservation and transmission of capacity and energy on either a firm or non-firm basis from the Point(s) of Receipt to the Point(s) of Delivery under Part II of the Tariff.

1.46 Pre-Confirmed Request:

A request for Point-to-Point Transmission Service on Transmission Provider's OASIS that commits Eligible Customer to the purchase of such Transmission Service upon acceptance of the request by Transmission Provider.

1.47 Preschedule Day:

The day identified by Transmission Provider pursuant to the WECC Interchange Scheduling and Accounting Subcommittee daily scheduling calendar, or the applicable successor to such committee.

1.48 Receiving Party:

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

1.49 Regional Transmission Group (RTG):

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

1.50 Reseller:

A Transmission Customer that sells, assigns or transfers its rights under its Service Agreement to another Eligible Customer.

1.51 Reserved Capacity:

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

1.52 Service Agreement:

The initial agreement and any amendments or supplements thereto entered into by Transmission Customer and Transmission Provider for service under the Tariff.

1.53 Service Commencement Date:

The date Transmission Provider begins to provide service pursuant to the terms of an executed Service Agreement, or the date Transmission Provider begins to provide service in accordance with Section 15.3 or Section 29.1 under the Tariff.

1.54 Short-Term Firm Point-To-Point Transmission Service:

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

1.55 System Condition:

A specified condition on Transmission Provider's system or on a neighboring system, such as a constrained transmission element or flowgate, that may trigger Curtailment of Long-Term Firm Point-to-Point Transmission Service using the Curtailment priority pursuant to Section 13.6. Such conditions must be identified in Transmission Customer's Service Agreement.

1.56 System Impact Study:

An assessment by Transmission Provider of (i) the adequacy of the Transmission System to accommodate a request for either Firm Point-To-Point Transmission Service or Network Integration Transmission Service and (ii) whether any additional costs may be incurred in order to provide transmission service.

1.57 Third-Party Sale:

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

1.58 Transmission Customer:

Any Eligible Customer (or its Designated Agent) that has executed a Service Agreement under this Tariff. This term is used in the Part I Common Service Provisions to include customers receiving transmission service under Part II and Part III of this Tariff.

1.59 Transmission Provider:

Public Utility District No. 2 of Grant County, Washington.

1.60 Transmission Provider's Monthly Transmission System Peak:

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

1.61 Transmission Service:

Point-To-Point Transmission Service provided under Part II of the Tariff on a firm and non-firm basis.

1.62 Transmission System:

The facilities owned, controlled, or operated by Transmission Provider that are used to provide transmission service.

1.63 Unreserved Use:

The use of Transmission Service by an Eligible Customer at a Point of Receipt or Point of Delivery that it has not reserved or for which it has not executed a Service Agreement.

1.64 Uniform Commercial Code:

A standardized set of legal guidelines adopted by states to regulate commercial transactions, including sales, leases, negotiable instruments, and secured transactions, ensuring consistency and fairness in interstate commerce.

1.65 WECC:

The Western Electricity Coordinating Council, or its successor.

1.66 WPP:

The Western Power Pool, or its successor.

2. INITIAL ALLOCATION AND RENEWAL PROCEDURES

2.1 Initial Allocation of Available Transfer Capability:

For purposes of determining whether existing capability on Transmission Provider's Transmission System is adequate to accommodate a request for firm service under this Tariff, all Completed Applications for new firm transmission service received during the initial sixty (60) calendar day period commencing with the effective date of the Tariff will be deemed to have been filed simultaneously. A lottery shall be used to assign priorities for Completed Applications filed simultaneously. All Completed Applications for firm transmission service received after the initial sixty (60) calendar day period shall be assigned a priority pursuant to Section 13.2.

2.2 Reservation Priority for Existing Firm Service Customers:

Existing firm service customers (wholesale requirements and transmission-only, with a contract term of five years or more), have the right to continue to take transmission service from Transmission Provider when the contract expires, rolls over or is renewed. This transmission reservation priority is independent of whether the existing customer continues to purchase capacity and energy from Transmission Provider or elects to purchase capacity and energy from another supplier. If at the end of the contract term, Transmission Provider's Transmission System cannot accommodate all of the requests for transmission service, the existing firm service customer must agree to accept a contract term at least equal to a competing request by any new Eligible Customer and to pay Transmission Provider's then current just and reasonable rate for such service; provided that, the firm service customer shall have a right of first refusal at the end of such service only if the new contract is for five years or more. The existing firm service customer must provide notice to Transmission Provider whether it will exercise its right of first refusal no less than one year prior to the expiration date of its transmission service agreement. This transmission reservation priority for existing firm service customers is an ongoing right that may be exercised at the end of all firm contract terms of five years or longer.

3. ANCILLARY SERVICES

Ancillary Services are needed with transmission service to maintain reliability within and among the Balancing Authority Areas affected by the transmission service. Transmission Provider is required to provide, and Transmission Customer is required to purchase, the following Ancillary Services (i) Scheduling, System Control and Dispatch, and (ii) Reactive Supply and Voltage Control from Generation or Other Sources.

Transmission Provider is required to offer to provide the following Ancillary Services only to Transmission Customer serving load within Transmission Provider's Balancing Area (i) Regulation and Frequency Response, (ii) Energy Imbalance, (iii) Operating Reserve - Spinning, and (iv) Operating Reserve - Supplemental. Transmission Customer serving load within Transmission Provider's Balancing Authority Area is required to acquire these Ancillary Services, whether from Transmission Provider or (if permitted by Transmission Provider), from a third party or by self-supply.

Transmission Provider is required to provide to the extent it is physically feasible to do so from its resources or from resources available to it, (i) Generator Imbalance Service, (ii) Operating Reserve - Spinning, (iii) Operating Reserve - Supplemental, and (iv) the applicable Integration/Regulation Service for the type of generation when Transmission Service is used to deliver energy from a generator located within its Balancing Authority Area. Transmission Customer using Transmission Service to deliver energy from a generator located within Transmission Provider's Balancing Authority Area is required to acquire these Ancillary Services, whether from Transmission Provider or (if permitted by Transmission Provider), from a third party or by self-supply.

Transmission Customer may not decline Transmission Provider's offer of Ancillary Services unless it demonstrates that it has acquired the Ancillary Services from another source. Transmission Customer must list in its Application which Ancillary Services it intends to purchase from Transmission Provider. A Transmission Customer that exceeds its Reserved Capacity at any Point of Receipt or Point of Delivery or an Eligible Customer that uses Transmission Service at a Point of Receipt or Point of Delivery that it has not reserved is required to pay for all of the Ancillary Services identified in this Section 3 that were provided by Transmission Provider associated with the unreserved service. Transmission Customer or Eligible Customer will pay for Ancillary Services based on the amount of transmission service

it used but did not reserve.

In the event of an unauthorized use of Ancillary Services by Transmission Customer, the Unreserved Use will be subject to Schedule 10, Unreserved Use of Transmission Service.

The specific Ancillary Services, prices and/or compensation methods are described on the Schedules that are attached to and made a part of the Tariff.

Three principal requirements apply to discounts for Ancillary Services provided by Transmission Provider in conjunction with its provision of transmission service as follows: (1) any offer of a discount made by Transmission Provider must be announced to all Eligible Customers solely by posting on the OASIS, (2) any customer-initiated requests for discounts (including requests for use by one's wholesale merchant or an Affiliate's use) must occur solely by posting on the OASIS, and (3) once a discount is negotiated, details must be immediately posted on the OASIS. A discount agreed upon for an Ancillary Service must be offered for the same period to all Eligible Customers on Transmission Provider's system. Sections 3.1 through 3.8 below list the eight Ancillary Services.

3.1 Scheduling, System Control and Dispatch Service:

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

3.2 Reactive Supply and Voltage Control from Generation or Other Sources Service:

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

3.3 Regulation and Frequency Response Service:

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

3.4 Energy Imbalance Service for Loads:

Where applicable the rates and/or methodology are described in Schedule 4.

3.5 Operating Reserve - Spinning Reserve Service:

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

3.6 Operating Reserve - Supplemental Reserve Service:

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

3.7 Generator Imbalance Service:

Where applicable the rates and/or methodology are described in Schedule 9.

3.8 Generation and Storage Balancing Service:

Where applicable the rates and/or methodology are described in Schedule 11.

4. TRANSMISSION SERVICE WEBSITE

Transmission Provider shall post on OASIS and its public website an electronic link to all rules,

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

5. TAX EXEMPT BONDS

Transmission Provider utilizes state and federal income tax-exempt financial instruments on an ongoing basis to fund the ownership and operation of its transmission system. Notwithstanding any other provision of this Tariff, Transmission Provider shall not be required to provide transmission service to any Eligible Customer pursuant to this Tariff if the provision of such transmission service would jeopardize the tax-exempt status of any bond(s) used to finance Transmission Provider's facilities that would be used in providing such transmission service. If Transmission Provider determines that the provision of transmission service requested by an Eligible Customer would jeopardize the tax-exempt status of any bond(s) used to finance its facilities that would be used in providing such transmission service, it shall so advise Eligible Customer and shall not be obligated to provide service.

6. RECIPROCITY

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

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

7. BILLING AND PAYMENT

7.1 Billing Procedure:

Within a reasonable time after the first day of each month, Transmission Provider shall submit an invoice to Transmission Customer for the charges for all services furnished under the Tariff during the preceding month. The invoice shall be paid by Transmission Customer within fifteen (15) Business days of receipt. All payments shall be made in immediately available funds payable to Transmission Provider, or by electronic payments to a bank named by Transmission Provider.

7.2 Late Payment:

Interest shall be applied and accrue on past due balances until paid in accordance with Grant PUD's Customer Service Policy.

7.3 Customer Default:

In the event Transmission Customer fails, for any reason other than a billing dispute as described below, to make payment to Transmission Provider on or before the due date as described above, and such failure of payment is not corrected within thirty (30) calendar days after Transmission Provider notifies Transmission Customer to cure such failure, a default by Transmission Customer shall be deemed to exist. Upon the occurrence of a default, Transmission Provider may terminate service with thirty (30) calendar days' notice.

In the event of a billing dispute between Transmission Provider and Customer, Transmission Provider shall continue to provide transmission service under the Service Agreement provided Transmission Customer continues to make all payments, including those in dispute. If Customer fails to meet this requirement for continuation of service, Transmission Provider may provide notice to Customer of a default pursuant to this Section 7.3. If Customer disputes any portion of an invoice, Customer shall pay the disputed amount by the applicable due date and submit written notice of a claim within 90 days from the date of the invoice. The Parties agree to use good faith efforts to resolve the dispute as soon as possible. Upon resolution of the dispute, any overpayments shall, at Transmission Provider's discretion, be refunded to Customer within 30 days of such resolution or deducted from subsequent invoices.

8. ACCOUNTING FOR TRANSMISSION PROVIDER'S USE OF THE TARIFF

Transmission Provider shall track and record the following amounts, as outlined below.

8.1 Transmission Revenues:

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

8.2 Study Costs and Revenues:

Include in a separate transmission operating expense account or subaccount, costs properly chargeable to expense that are incurred to perform any System Impact Studies or Facilities Studies which Transmission Provider conducts to determine if it must construct

new transmission facilities or upgrades necessary for its own uses, including making Third-Party Sales under the Tariff; and include in a separate operating revenue account or subaccount the revenues received for System Impact Studies or Facilities Studies performed when such amounts are separately stated and identified in Transmission Customer's billing under the Tariff.

9. FORCE MAJEURE AND INDEMNIFICATION

9.1 Force Majeure:

An event of Force Majeure means any act of God, labor disturbance, act of the public enemy, war, insurrection, riot, fire, storm or flood, pandemic, epidemic, explosion, breakage or accident to machinery or equipment, loss or material modification of FERC License 2114, any Curtailment, order, regulation or restriction imposed by governmental military or lawfully established civilian authorities, or any other cause beyond a Party's control. A Force Majeure event does not include an act of negligence or intentional wrongdoing.

Neither Transmission Provider nor Transmission Customer will be considered in default as to any obligation under this Tariff if prevented from fulfilling the obligation due to an event of Force Majeure. However, a Party whose performance under this Tariff is hindered by an event of Force Majeure shall make all reasonable efforts to perform its obligations under this Tariff.

9.2 Indemnification:

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

10. CREDITWORTHINESS

Transmission Provider will specify its creditworthiness procedures in Attachment L and in applicable business practices.

11. DISPUTE RESOLUTION PROCEDURES

11.1 Internal Dispute Resolution Procedures:

In the event either Party has a dispute, or asserts a claim, that arises out of or in connection with these procedures, or their 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 Tariff.

11.2 External Arbitration Procedures:

Any arbitration initiated under these procedures shall be conducted before a single neutral arbitrator appointed by the Parties. If the Parties fail to agree 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 taking into account any relevant FERC precedents, any applicable RTO or ISO rules; provided, however, in the event of a conflict between the Arbitration Rules and the terms of this Section 11, the terms of this Section 11 shall prevail.

11.3 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 therefore. The arbitrator(s) shall be authorized only to interpret and apply the provisions of these procedures and shall have no power to modify or change any provision of these procedures 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.

11.4 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.

12. GENERAL PROVISIONS

12.1 Unilateral Right to Change:

Notwithstanding any other provision in this Tariff or a Service Agreement, Transmission Provider shall have the right unilaterally to make changes in rates, charges, classification of service, or any rule, regulation, or business practice related to this Tariff. Prior to the effectiveness of any change, Transmission Provider shall provide sixty (60) calendar days' notice to its customers.

12.2 Tariff Availability:

Nothing contained in this Tariff shall restrict Transmission Provider's right unilaterally to withdraw the Tariff at any time. Except as otherwise provided in this Section 12.2, such withdrawal shall not affect existing Service Agreements for Long-Term Firm Point-to-Point Transmission Service entered into under the Tariff, except no Transmission Customer will have any right to roll-over or extend a Service Agreement in the event of withdrawal of the Tariff. Upon such withdrawal of this Tariff, all Service Agreements for Short-Term Firm Point-to-Point Transmission Service and Non-Firm Point-To-Point Transmission Service shall terminate immediately, except that Transmission Provider shall complete Transmission Service for specific scheduled Non-Firm and Short-Term Firm Transmission Service transactions prior to the date of termination of the Tariff (not to exceed service for three months). Transmission Provider shall provide at least thirty (30) calendar days' notice of its intent to terminate this Tariff to Transmission Customers that have entered into Service Agreements for Short-Term Firm Point-to-Point Transmission Service and Non-Firm Point-To-Point Transmission Service.

12.3 Delegation of Responsibility:

Transmission Provider may use the services of subcontractors as it deems appropriate to perform its obligations under this Tariff.

II. POINT-TO-POINT TRANSMISSION SERVICE

Preamble

Transmission Provider will provide Firm and Non-Firm Point-To-Point Transmission Service pursuant to the applicable terms and conditions of this Tariff. Point-To-Point Transmission Service is for the receipt of capacity and energy at designated Point(s) of Receipt and the transfer of such capacity and energy to designated Point(s) of Delivery.

13. NATURE OF FIRM POINT-TO-POINT TRANSMISSION SERVICE

13.1 Term:

The minimum term of Firm Point-To-Point Transmission Service shall be one day and the maximum term shall be specified in the Service Agreement, and in no case will exceed thirty (30) years.

13.2 Reservation Priority:

13.2.1 Long-Term Firm Point-To-Point Transmission Service shall be available on a first-come, first-served basis, i.e., in the chronological sequence in which each Transmission Customer has requested service.

13.2.2 Reservations for Short-Term Firm Point-To-Point Transmission Service will be based upon the length of the requested transaction or reservation. However, Pre-Confirmed Requests for Short-Term Point-to-Point Transmission Service will receive priority over earlier-submitted requests that are not pre-confirmed and that have equal or shorter duration. Among requests or reservations with the same duration and, as relevant, pre-confirmation status (pre-confirmed, confirmed, or not confirmed), priority will be determined by the date and time of the request or reservation.

13.2.3 If the Transmission System becomes oversubscribed, requests for service may preempt competing reservations up to the following conditional reservation deadlines: one Business Day before the commencement of daily service, one week before the commencement of weekly service, and one month before the commencement of monthly service. Before the conditional reservation deadline, if available transfer capability is insufficient to satisfy all requests and reservations, an Eligible Customer with a reservation for shorter term service or equal duration service has the right of first refusal to match any longer-term request or equal duration service before losing its reservation priority. A longer-term competing request for Short-Term Firm Point-To-Point Transmission Service will be granted if Eligible Customer with the right of first refusal does not agree to match the competing request within 24 hours (or earlier if necessary to comply with the scheduling deadlines provided in Section 13.8) from being notified by Transmission Provider of a longer-term competing request for Short-Term Firm Point-To-Point Transmission Service. When a longer duration request preempts multiple shorter duration reservations, the shorter duration reservations shall have simultaneous opportunities to exercise the right of first refusal. Duration and time of response will be used to determine the order by which the multiple shorter duration reservations will be able to exercise the right of first refusal. After the conditional reservation deadline, service will commence pursuant to the terms of Part II of the Tariff.

13.2.4 Firm Point-To-Point Transmission Service will always have a reservation priority over Non-Firm Point-To-Point Transmission Service under the Tariff. All Long-Term Firm Point-To-Point Transmission Service will have equal reservation priority with Native Load Customers and Network Customers. Reservation priorities for existing firm service customers are provided in Section 2.2.

13.3 Use of Firm Transmission Service by Transmission Provider:

To the extent Transmission Provider uses the Transmission System for off-system sales, Transmission Provider will be subject to the rates, terms and conditions of Part II of the Tariff when making Third-Party Sales under executed agreements.

13.4 Service Agreements:

Transmission Provider shall offer a standard form Service Agreement for Long-Term Firm Point-To-Point Transmission Service (Attachment A) to an Eligible Customer when it submits a Completed Application for Long-Term Firm Point-To-Point Transmission Service. Transmission Provider shall offer a standard form Service Agreement for Short-Term Firm Point-to-Point Transmission Service and Non-Firm Point-To-Point Transmission Service (Attachment B) to an Eligible Customer when it first submits a Completed Application for Short-Term Firm Point-To-Point Transmission Service and Non-Firm Point-To-Point Transmission Service pursuant to the Tariff.

A new Service Agreement will not be required for subsequent short-term firm or non-firm transactions. An Eligible Customer that uses Transmission Service at a Point of Receipt or Point of Delivery that it has not reserved or that has not executed a Service Agreement ("Unreserved Use") will be deemed, for purposes of assessing any appropriate charges and penalties, to have executed the appropriate Service Agreement and will be subject to the rates for Unreserved Use in Schedule 10. The Service Agreement shall, when

applicable, specify any conditional curtailment options selected by Transmission Customer. Where the Service Agreement contains conditional curtailment options and is subject to a biennial reassessment as described in Section 15.4, Transmission Provider shall provide Transmission Customer notice of any changes to the curtailment conditions no less than ninety (90) calendar days prior to the date for imposition of new curtailment conditions. Concurrent with such notice, Transmission Provider shall provide Transmission Customer with the reassessment study and a narrative description of the study, including the reasons for changes to the number of hours per year or System Conditions under which conditional curtailment may occur.

13.5 Transmission Customer Obligations for Facility Additions:

In cases where Transmission Provider determines that the Transmission System is not capable of providing Firm Point-To-Point Transmission Service without (1) degrading or impairing the reliability of service to Native Load Customers, Network Customers and other Transmission Customers taking Firm Point-To-Point Transmission Service, or (2) interfering with Transmission Provider's ability to meet prior firm contractual commitments to others, Transmission Provider will be obligated to expand or upgrade its Transmission System pursuant to the terms of Section 15.4. Transmission Customer must agree to compensate Transmission Provider for any necessary transmission facility additions pursuant to the terms of Section 27. Any Network Upgrade or Direct Assignment Facilities costs to be charged to Transmission Customer on an incremental basis under the Tariff will be specified in the Service Agreement prior to initiating service.

13.6 Curtailment of Firm Transmission Service:

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

13.7 Classification of Firm Transmission Service:

13.7.1 Transmission Customer taking Firm Point-To-Point Transmission Service may

(1) change its Receipt and Delivery Points to obtain service on a non-firm basis consistent with the terms of Section 22.1 or (2) request a modification of the Points of Receipt or Delivery on a firm basis pursuant to the terms of Section 22.2.

13.7.2 Transmission Customer may purchase transmission service to make sales of capacity and energy from multiple generating units that are on Transmission Provider's Transmission System. For such a purchase of transmission service, the resources will be designated as multiple Points of Receipt, unless the multiple generating units are at the same generating plant in which case the units would be treated as a single Point of Receipt.

13.7.3 Transmission Provider shall provide firm deliveries of capacity and energy from the Point(s) of Receipt to the Point(s) of Delivery. Each Point of Receipt at which firm transmission capacity is reserved by Transmission Customer shall be set forth in the Service Agreement for Long-Term Firm Point-to-Point Transmission Service along with a corresponding capacity reservation associated with each Point of Receipt. Points of Receipt and corresponding capacity reservations shall be as mutually agreed upon by the Parties for Short-Term Firm Transmission. Each Point of Delivery at which firm transfer capability is reserved by Transmission Customer shall be set forth in the Service Agreement for Long-Term Firm Point-to-Point Transmission Service along with a corresponding capacity reservation associated with each Point of Delivery. Points of Delivery and corresponding capacity reservations shall be as mutually agreed upon by the Parties for Short-Term Firm Transmission. The greater of either (1) the sum of the capacity reservations at the Point(s) of Receipt, or (2) the sum of the capacity reservations at the Point(s) of Delivery shall be Transmission Customer's Reserved Capacity. Transmission Customer will be billed for its Reserved Capacity under the terms of Schedule 7. Transmission Customer may not exceed its firm capacity reserved at each Point of Receipt and each Point of Delivery except as otherwise specified in Section 22. Transmission Provider shall specify the rate treatment and all related terms and conditions applicable in the event that a Transmission Customer (including Third-Party Sales by Transmission Provider) exceeds its firm reserved capacity at any Point of Receipt or Point of Delivery or uses Transmission Service at a Point of Receipt or Point of Delivery that it has not reserved.

13.8 Scheduling of Firm Point-To-Point Transmission Service:

Schedules for Transmission Customer's Firm Point-To-Point Transmission Service must be submitted to Transmission Provider no later than 10:00 a.m. [or a reasonable time that is generally accepted in the region and is consistently adhered to by Transmission Provider] of the Preschedule Day applicable to such service. Schedules submitted after 10:00 a.m. will be accommodated, if practicable. Hour-to-hour schedules of any capacity and energy that is to be delivered must be stated in increments of 1,000 kW per hour [or a reasonable increment that is generally accepted in the region and is consistently adhered to by Transmission Provider]. Transmission Customers within Transmission Provider's service area with multiple requests for Transmission Service at a Point of Receipt, each of which is under 1,000 kW per hour, may consolidate their service requests at a common point of receipt into units of 1,000 kW per hour for scheduling and billing purposes. Scheduling changes will be permitted up to twenty (20) minutes [or a reasonable time that is generally accepted in the region and is consistently adhered to by Transmission

Provider] before the start of the next scheduling interval provided that the Delivering Party and Receiving Party also agree to the schedule modification. Transmission Provider will furnish to the Delivering Party's system operator, hour-to-hour and intra-hour schedules equal to those furnished by the Receiving Party (unless reduced for losses) and shall deliver the capacity and energy provided by such schedules. Should Transmission Customer, Delivering Party or Receiving Party revise or terminate any schedule, such party shall immediately notify Transmission Provider, and Transmission Provider shall have the right to adjust accordingly the schedule for capacity and energy to be received and to be delivered.

14. NATURE OF NON-FIRM POINT-TO-POINT TRANSMISSION SERVICE

14.1 Term:

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

14.2 Reservation Priority:

Non-Firm Point-To-Point Transmission Service shall be available from transfer capability in excess of that needed for reliable service to Native Load Customers, Network Customers and other Transmission Customers taking Long-Term and Short-Term Firm Point-To-Point Transmission Service. A higher priority will be assigned first to requests or reservations with a longer duration of service and second to Pre-Confirmed Requests. In the event the Transmission System is constrained, competing requests of the same Pre-Confirmation status and equal duration will be prioritized based on the date and time of the request or reservation. Eligible Customers that have already reserved shorter term service have the right of first refusal to match any longer term request before being preempted. A longer term competing request for Non-Firm Point-To-Point Transmission Service will be granted if Eligible Customer with the right of first refusal does not agree to match the competing request: (a) immediately for hourly Non-Firm Point-To-Point Transmission Service after notification by Transmission Provider; and, (b) within 24 hours (or earlier if necessary to comply with the scheduling deadlines provided in Section 14.6) for Non-Firm Point-To-Point Transmission Service other than hourly transactions after notification by Transmission Provider. Transmission service for Network Customers from resources other than designated Network Resources will have a higher priority than any Non-Firm Point-To-Point Transmission Service. Non-Firm Point-To-Point Transmission Service over secondary Point(s) of Receipt and Point(s) of Delivery will have the lowest reservation priority under the Tariff.

14.3 Use of Non-Firm Point-To-Point Transmission Service by Transmission Provider:

To the extent that Transmission Provider uses its transmission to make Third-Party Sales, Transmission Provider will be subject to the rates, terms and conditions of Part II of the Tariff when making Third-Party Sales under executed agreements. Transmission Provider will maintain separate accounting, pursuant to Section 8, for any use of Non-Firm Point-To-Point Transmission Service to make Third-Party Sales.

14.4 Service Agreements:

Transmission Provider shall offer a standard Service Agreement for Short-Term Firm Point-to-Point Transmission Service and Non-Firm Point-To-Point Transmission Service (Attachment B) to an Eligible Customer when it first submits a Completed Application for Short-Term Firm Point-to-Point Transmission Service and Non-Firm Point-To-Point Transmission Service pursuant to the Tariff.

14.5 Classification of Non-Firm Point-To-Point Transmission Service:

Non-Firm Point-To-Point Transmission Service shall be offered under terms and conditions contained in Part II of the Tariff. Transmission Provider undertakes no obligation under the Tariff to plan its Transmission System in order to have sufficient capacity for Non-Firm Point-To-Point Transmission Service. Parties requesting Non-Firm Point-To-Point Transmission Service for the transmission of firm power do so with the full realization that such service is subject to availability and to Curtailment or Interruption under the terms of the Tariff. Transmission Provider shall specify the rate treatment and all related terms and conditions applicable in the event that a Transmission Customer (including Third-Party Sales by Transmission Provider) exceeds its non-firm capacity reservation. The applicable rates for Unreserved Use are stated in Schedule 10. Non-Firm Point-To-Point Transmission Service shall include transmission of energy on an hourly basis and transmission of scheduled short-term capacity and energy on a daily, weekly, or monthly basis, but not to exceed one month's reservation for any one Application, under Schedule 8.

14.6 Scheduling of Non-Firm Point-To-Point Transmission Service:

Schedules for Non-Firm Point-To-Point Transmission Service must be submitted to Transmission Provider no later than 2:00 p.m. [or a reasonable time that is generally accepted in the region and is consistently adhered to by Transmission Provider] of the Preschedule Day applicable to such service. Schedules submitted after 2:00 p.m. will be accommodated, if practicable. Schedules of energy that are to be delivered must be stated in increments of 1,000 kW per hour [or a reasonable increment that is generally accepted in the region and is consistently adhered to by Transmission Provider]. Transmission Customers within Transmission Provider's service area with multiple requests for Transmission Service at a Point of Receipt, each of which is under 1,000 kW per hour, may consolidate their schedules at a common Point of Receipt into units of 1,000 kW per hour. Scheduling changes will be permitted twenty (20) minutes [or a reasonable time that is generally accepted in the region and is consistently adhered to by Transmission Provider] before the start of the next scheduling interval, provided that the Delivering Party and Receiving Party also agree to the schedule modification. Transmission Provider will furnish to the Delivering Party's system operator, hour-to-hour and intra-hour schedules equal to those furnished by the Receiving Party (unless reduced for losses) and shall deliver the capacity and energy provided by such schedules. Should Transmission Customer, Delivering Party or Receiving Party revise or terminate any schedule, such party shall immediately notify Transmission Provider, and Transmission Provider shall have the right to adjust accordingly the schedule for capacity and energy to be received and to be delivered.

14.7 Curtailment or Interruption of Service:

Transmission Provider reserves the right to Curtail, in whole or in part, Non-Firm Point-

To-Point Transmission Service provided under the Tariff for reliability reasons when an emergency or other unforeseen condition threatens to impair or degrade the reliability of its Transmission System or the systems directly and indirectly interconnected with Transmission Provider's Transmission System. Transmission Provider reserves the right to Interrupt, in whole or in part, Non-Firm Point-To-Point Transmission Service provided under the Tariff for economic reasons in order to accommodate (1) a request for Firm Transmission Service, (2) a request for Non-Firm Point-To-Point Transmission Service of greater duration, (3) transmission service for Network Customers from non-designated resources, or (4) transmission service for Firm Point-to-Point Transmission Service during conditional curtailment periods as described in Section 15.4. Transmission Provider also will discontinue or reduce service to Transmission Customer to the extent that deliveries for transmission are discontinued or reduced at the Point(s) of Receipt. Where required, Curtailments or Interruptions will be made on a non-discriminatory basis to the transaction(s) that effectively relieve the constraint, however, Non-Firm Point-To-Point Transmission Service shall be subordinate to Firm Transmission Service. If multiple transactions require Curtailment or Interruption, to the extent practicable and consistent with Good Utility Practice, Curtailments or Interruptions will be made to transactions of the shortest term (e.g., hourly non-firm transactions will be Curtailed or Interrupted before daily non-firm transactions and daily non-firm transactions will be Curtailed or Interrupted before weekly non-firm transactions). Transmission service for Network Customers from resources other than designated Network Resources will have a higher priority than any Non-Firm Point-To-Point Transmission Service under the Tariff. Non-Firm Point-To-Point Transmission Service over secondary Point(s) of Receipt and Point(s) of Delivery will have a lower priority than any Non-Firm Point-To-Point Transmission Service under the Tariff. Transmission Provider will provide advance notice of Curtailment or Interruption where such notice can be provided consistent with Good Utility Practice.

15. SERVICE AVAILABILITY

15.1 General Conditions:

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

15.2 Determination of Available Transfer Capability:

A description of Transmission Provider's specific methodology for assessing available transfer capability posted on Transmission Provider's OASIS (Section 4) is contained in Attachment C of the Tariff. In the event sufficient transfer capability may not exist to accommodate a service request for Long Term Firm Point to Point Service, Transmission Provider may respond by performing a System Impact Study.

15.3 Executed Service Agreement Required:

Service will commence following the execution of a Service Agreement consistent with the terms of this Tariff.

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

15.4.1 If Transmission Provider determines that it cannot accommodate a Completed Application for Firm Point-To-Point Transmission Service because of insufficient capability on its Transmission System, Transmission Provider will use due diligence to expand or modify its Transmission System to provide the requested Firm Transmission Service, consistent with its planning obligations in Attachment K, provided Transmission Customer agrees to compensate Transmission Provider for such costs pursuant to the terms of Section 27. Transmission Provider will conform to Good Utility Practice and its planning obligations in Attachment K, in determining the need for new facilities and in the design and construction of such facilities. The obligation applies only to those facilities that Transmission Provider has the right to expand or modify.

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

15.5 Deferral of Service:

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

15.6 Other Transmission Service Schedules:

Eligible Customers receiving transmission service under other agreements may continue to receive transmission service under those agreements until such time as those agreements may expire or be terminated.

15.7 Real Power Losses:

Real Power Losses are associated with all transmission service. Transmission Customer will pay for losses per the terms and loss factors stated in Rate Schedule 33 - Wholesale Ancillary Services. See www.grantpud.org.

16. TRANSMISSION CUSTOMER RESPONSIBILITIES

16.1 Conditions Required of Transmission Customers:

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

- (i) Transmission Customer has pending a Completed Application for service;
- (ii) Transmission Customer meets the creditworthiness criteria set forth in Section 10;
- (iii) Transmission Customer will have arrangements in place for any other transmission service necessary to effect the delivery from the generating source to Transmission Provider prior to the time service under Part II of the Tariff commences;
- (iv) Transmission Customer agrees to pay for any facilities constructed and chargeable to such Transmission Customer under Part II of the Tariff, whether or not Transmission Customer takes service for the full term of its reservation;
- (v) Transmission Customer provides the information required by Transmission Provider's planning process established in Attachment K; and
- (vi) Transmission Customer has executed a Point-To-Point Service Agreement pursuant to Section 15.3.

16.2 Transmission Customer Responsibility for Third-Party Arrangements:

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

17. PROCEDURES FOR ARRANGING FIRM POINT-TO-POINT TRANSMISSION SERVICE

17.1 Application:

A request for Firm Point-To-Point Transmission Service for periods of one year or longer must contain a written Application to:

Public Utility District No. 2 of Grant County, Washington
Attn: Senior Manager Transmission Business Services
PO Box 878
Ephrata, WA 98823

at least sixty (60) days in advance of the calendar month in which service is to commence. The timeline to apply to Short Term Firm Point-to-Point Transmission Service is specified in the applicable business practice. Requests for firm service for periods of less than one year shall be submitted pursuant to an executed Service Agreement as contained in Attachment B per Section 13.4. All Firm Point-To-Point Transmission Service requests should be submitted by entering the information listed below on Transmission Provider's OASIS. Prior to implementation of Transmission Provider's OASIS, a Completed Application may be submitted by transmitting the required information to Transmission Provider by email to transmissionservices@gcpud.org. The email received at transmissionservices@gcpud.org will provide a time-stamped record for establishing the priority of the Application. Transmission Provider will provide an application form for

such a request.

17.2 **Completed Application:**

A Completed Application for Long Term Firm Point-to-Point Transmission Service, a form for which is available upon request, shall provide all of the information included in 18 CFR § 2.20, including but not limited to the following:

- (i) The identity, address, telephone number and email address of the entity requesting service;
- (ii) A contact name and specific email address and telephone number for the contact;
- (iii) A statement that the entity requesting service is, or will be upon commencement of service, an Eligible Customer under the Tariff;
- (iv) The location of the Point(s) of Receipt and Point(s) of Delivery and the identities of the Delivering Parties and the Receiving Parties;
- (v) The location of the generating facility(ies) supplying the capacity and energy, and the location of the load ultimately served by the capacity and energy transmitted. Transmission Provider will treat this information as confidential except to the extent that disclosure of this information is required by this Tariff, by regulatory or judicial order, for reliability purposes pursuant to Good Utility Practice or pursuant to an applicable RTG transmission information sharing agreements.
- (vi) A description of the supply characteristics of the capacity and energy to be delivered;
- (vii) An estimate of the capacity and energy expected to be delivered to the Receiving Party;
- (viii) The Service Commencement Date and the term of the requested Transmission Service;
- (ix) The transmission capacity requested for each Point of Receipt and each Point of Delivery on Transmission Provider's Transmission System; customers may combine their requests for service in order to satisfy the minimum transmission capacity requirement;
- (x) A statement indicating that, if Eligible Customer submits a Pre-Confirmed Request, Eligible Customer will execute a Service Agreement upon receipt of notification that Transmission Provider can provide the requested Transmission Service; and
- (xi) Any additional information required by Transmission Provider's planning process established in Attachment K.
- (xii) If Transmission Customer does not own, control or operate transmission facilities, it must include in its Application a sworn statement of one of its duly authorized officers or other representatives that the purpose of its Application is not to assist an Eligible Customer to avoid the reciprocity requirements of Section 6.
- (xiii) Other information as specified on the application form.

17.3 **Deposit:**

A Completed Application for Long Term Firm Point-To-Point Transmission Service also shall include a deposit of one month's charge for Reserved Capacity. If the Application is rejected by Transmission Provider because it does not meet the conditions for service as set forth herein, or in the case of requests for service arising in connection with losing bidders in a request for proposals, said deposit shall be returned without interest less any reasonable costs incurred by Transmission Provider in connection with the review of the losing bidder's Application. The deposit also will be returned without interest less any reasonable costs incurred by Transmission Provider if Transmission Provider is unable to complete new facilities needed to provide the service. If an Application is withdrawn or Eligible Customer decides not to enter into a Service Agreement for Firm Point-To-Point Transmission Service, the deposit shall be refunded in full, without interest, less reasonable costs incurred by Transmission Provider to the extent such costs have not already been recovered by Transmission Provider from Eligible Customer. Transmission Provider will provide to Eligible Customer a complete accounting of all costs deducted from the refunded deposit, which Eligible Customer may contest if there is a dispute concerning the deducted costs. Deposits associated with construction of new facilities are subject to the provisions of Section 19. If a Service Agreement for Firm Point-To-Point Transmission Service is executed, the deposit, without interest, will be returned to Transmission Customer upon expiration or termination of the Service Agreement for Firm Point-To-Point Transmission Service.

17.4 Notice of Deficient Application:

If an Application fails to meet the requirements of the Tariff, Transmission Provider shall notify the entity requesting service within fifteen (15) days of receipt of the reasons for such failure. Transmission Provider will attempt to remedy minor deficiencies in the Application through informal communications with Eligible Customer. If such efforts are unsuccessful, Transmission Provider shall return the Application, along with any deposit, without interest. Upon receipt of a new or revised Application that fully complies with the requirements of Part II of the Tariff, Eligible Customer shall be assigned a new priority consistent with the date of the new or revised Application.

17.5 Response to a Completed Application:

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

17.6 Execution of Service Agreement:

Whenever Transmission Provider determines that a System Impact Study is not required and that the service can be provided, it shall notify Eligible Customer as soon as practicable but no later than thirty (30) days after receipt of the Completed Application. Where a System Impact Study is required, the provisions of Section 19 will govern the execution of a Service Agreement.

Failure of an Eligible Customer to execute and return the Service Agreement within fifteen (15) days after it is tendered by Transmission Provider will be deemed a withdrawal and termination of the Application and any deposit submitted shall be refunded without interest. Nothing herein limits the right of an Eligible Customer to file another Application after such withdrawal and termination.

17.7 Extensions for Commencement of Service:

Transmission Customer can obtain, subject to availability, up to five (5) one-year extensions for the commencement of service for Long Term Firm Point-To-Point Transmission Service. Transmission Customer may postpone service by providing written notice to Transmission Provider no less than sixty (60) days prior to the commencement of service and by paying a non-refundable annual reservation fee equal to one-month's charge for Firm Transmission Service for each year or fraction thereof within fifteen (15) calendar days of notifying Transmission Provider it intends to extend the commencement of service. If during any extension for the commencement of service an Eligible Customer submits a Completed Application for Firm Transmission Service, and such request can be satisfied only by releasing all or part of Transmission Customer's Reserved Capacity, the original Reserved Capacity will be released unless the following condition is satisfied. Within thirty (30) calendar days, the original Transmission Customer agrees to pay the Firm Point-To-Point transmission rate for its Reserved Capacity concurrent with the new Service Commencement Date. In the event Transmission Customer elects to release the Reserved Capacity, the reservation fees or portions thereof previously paid will be forfeited.

18. PROCEDURES FOR ARRANGING NON-FIRM POINT-TO-POINT TRANSMISSION SERVICE

18.1 Application:

Eligible Customers seeking Non-Firm Point-To-Point Transmission Service must submit a Completed Application to Transmission Provider per Section 14.4 and execute a Service Agreement.

18.2 Completed Application:

A Completed Application, a form for which is available upon request, shall provide all of the information included in 18 CFR § 2.20 including but not limited to the following:

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

(vii) If Transmission Customer does not own, control or operate transmission facilities, it must include in its Application a sworn statement of one of its duly authorized officers or other representatives that the purpose of its Application is not to assist an Eligible Customer to avoid the reciprocity requirements of Section 6, and

(viii) Other information as requested on the application form.

In addition to the information specified above, when required to properly evaluate system conditions, Transmission Provider also may ask Transmission Customer to provide the following:

(ix) The electrical location of the initial source of the power to be transmitted pursuant to Transmission Customer's request for service; and

(x) The electrical location of the ultimate load.

Transmission Provider will treat this information in (ix) and (x) as confidential at the request of Transmission Customer except to the extent that disclosure of this information is required by this Tariff, by regulatory or judicial order, for reliability purposes pursuant to Good Utility Practice, or pursuant to applicable RTG transmission information sharing agreements.

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

18.3 Reservation of Non-Firm Point-To-Point Transmission Service:

Requests for monthly service shall be submitted no earlier than sixty (60) calendar days before service is to commence; requests for weekly service shall be submitted no earlier than fourteen (14) calendar days before service is to commence; requests for daily service shall be submitted no earlier than the Business Day before the Preschedule Day applicable to such service; and requests for hourly service shall be submitted no earlier than 10:00 a.m. on the Preschedule Day applicable to such service. Requests for service received later than 2:00 p.m. prior to the applicable Preschedule Day will be accommodated if practicable.

18.4 Determination of Available Transfer Capability:

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

19. ADDITIONAL STUDY PROCEDURES FOR FIRM POINT-TO-POINT TRANSMISSION SERVICE REQUESTS

19.1 Notice of Need for System Impact Study:

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

in Attachment D. If Transmission Provider determines that a System Impact Study is necessary to accommodate the requested service, it shall so inform Eligible Customer, as soon as practicable. Once informed, Eligible Customer shall timely notify Transmission Provider if it elects to have Transmission Provider study conditional curtailment as part of the System Impact Study. If notification is provided prior to tender of the System Impact Study agreement, Eligible Customer can avoid the costs associated with the study of these options. Transmission Provider shall within sixty (60) calendar days of receipt of a Completed Application, tender a System Impact Study agreement pursuant to which Eligible Customer shall agree to pay Transmission Provider for performing the required System Impact Study. For a service request to remain a Completed Application, Eligible Customer shall execute the System Impact Study agreement and return it to Transmission Provider within fifteen (15) calendar days. If Eligible Customer elects not to execute the System Impact Study agreement, its application shall be deemed withdrawn and its deposit, pursuant to Section 17.3, shall be returned without interest.

19.2 System Impact Study Agreement and Payment:

19.2.1 The System Impact Study agreement will clearly specify Transmission Provider's estimate of the actual cost and time for completion of the System Impact Study. The charge shall not exceed the actual cost of the study. In performing the System Impact Study, Transmission Provider shall rely, to the extent reasonably practicable, on existing transmission planning studies. Eligible Customer will not be assessed a charge for such existing studies; however, Eligible Customer will be responsible for charges associated with any modifications to existing planning studies that are reasonably necessary to evaluate the impact of Eligible Customer's request for service on the Transmission System.

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

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

19.3 System Impact Study Procedures:

Upon receipt of an executed System Impact Study agreement, Transmission Provider will use due diligence to complete the required System Impact Study within a reasonable amount of time. The System Impact Study shall identify (1) any system constraints, identified with specificity by transmission element or flowgate (2) conditional curtailment options (when requested by an Eligible Customer) including the estimated number of hours per year and the System Conditions during which conditional curtailment may occur, and (3) additional Direct Assignment Facilities or Network Upgrades required to provide the requested service. If Transmission Provider possesses information indicating that any resource outside its Balancing Authority Area could relieve the constraint, it shall identify each such resource in the System Impact Study. In the event that Transmission Provider is unable to complete the required System Impact Study within ninety (90) calendar days, it shall so notify Eligible Customer and provide an estimated completion date along with an explanation of the reasons why additional time is required to complete

the required studies. A copy of the completed System Impact Study and related work papers shall be made available to Eligible Customer as soon as the System Impact Study is complete. Transmission Provider will use the same due diligence in completing the System Impact Study for an Eligible Customer as it uses when completing studies for itself.

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

19.4 Notice of Need for Environmental Study:

If Transmission Provider determines that an Environmental Study is required in response to a request for service, Transmission Provider shall tender an Environmental Study agreement as soon as practicable. Pursuant to such agreement Eligible Customer shall agree to pay Transmission Provider for performing the Environmental Study. Eligible Customer shall execute and return the Environmental Study agreement within thirty (30) calendar days of receipt, or its application shall be deemed withdrawn and any applicable deposit net of expenditures already made shall be returned without interest. Transmission Provider must comply with state and federal law and local regulations, if any, regarding an Environmental Study. The need for an Environmental Study may be determined at any point in the process of evaluating a request for service. The results of the Environmental Study may impact the identified facilities and the costs of such facilities identified in a Facilities Study per Section 19.5 and may result in a need to update a Facilities Study to represent these costs.

19.5 Facilities Study Procedures:

If a System Impact Study indicates that additions or upgrades to the Transmission System are needed to supply Eligible Customer's service request, Transmission Provider, within sixty (60) calendar days of the completion of the System Impact Study, shall tender to Eligible Customer a Facilities Study agreement pursuant to which Eligible Customer shall agree to pay Transmission Provider for performing the required Facilities Study. For a service request to remain a Completed Application, Eligible Customer shall execute the Facilities Study agreement and return it to Transmission Provider within fifteen (15) calendar days. If Eligible Customer elects not to execute the Facilities Study agreement, its application shall be deemed withdrawn and its deposit, pursuant to Section 17.3, shall be returned without interest. Upon receipt of an executed Facilities Study agreement, Transmission Provider will use due diligence to complete the required Facilities Study within a reasonable amount of time. If Transmission Provider is unable to complete the Facilities Study in a reasonable time period, Transmission Provider shall notify Transmission Customer and provide an estimate of the time needed to reach a final determination along with an explanation of the reasons that additional time is required to complete the study. When completed, the Facilities Study will include a good faith estimate of (i) the cost of Direct Assignment Facilities to be charged to Transmission Customer, (ii) Transmission Customer's appropriate share of the cost of any required Network Upgrades as determined pursuant to the provisions of Part II of the Tariff, and (iii) the estimated time required to complete such construction and initiate the requested service. Transmission Customer shall provide Transmission Provider with a letter of credit

or other reasonable form of security acceptable to Transmission Provider equivalent to the costs of new facilities or upgrades consistent with commercial practices as established by the Uniform Commercial Code. Transmission Customer shall have thirty (30) calendar days to execute a Service Agreement and provide the required letter of credit or other form of security. If executed Service Agreement and security are not received within thirty (30) calendar days by Transmission Provider, the request will no longer be a Completed Application and shall be deemed terminated and withdrawn.

19.6 Facilities Study Modifications:

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

19.7 Completing New Facilities:

Transmission Provider will not upgrade its existing or planned Transmission System in order to provide the requested Firm Point-To-Point Transmission Service if doing so would impair system reliability or otherwise impair or degrade existing firm service.

19.8 Partial Interim Service:

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

19.9 Expedited Procedures for New Facilities:

In lieu of the procedures set forth above, Eligible Customer shall have the option to expedite the process by requesting Transmission Provider to tender at one time, together with the results of required studies, an "Expedited Service Agreement" pursuant to which Eligible Customer would agree to compensate Transmission Provider for all costs incurred pursuant to the terms of the Tariff. In order to exercise this option, Eligible Customer shall request in writing an Expedited Service Agreement covering all of the above-specified items within thirty (30) calendar days of receiving the results of the System Impact Study identifying needed facility additions or upgrades or costs incurred in providing the requested service. Transmission Provider is not obligated to offer an Expedited Service Agreement and may at its sole discretion inform Eligible Customer that an Expedited Service Agreement will not be offered.

If Transmission Provider agrees to move forward with an Expedited Service Agreement, Transmission Provider will provide Eligible Customer with its best estimate of the new facility costs and other charges that may be incurred, such estimate shall not be binding

and Eligible Customer must agree in writing to compensate Transmission Provider for all costs incurred pursuant to the provisions of the Tariff. Eligible Customer shall execute and return such an Expedited Service Agreement within fifteen (15) calendar days of its receipt or Eligible Customer's request for service will cease to be a Completed Application and will be deemed terminated and withdrawn. Transmission Provider reserves the right to require adequate security as part of an Expedited Service Agreement and has complete discretion regarding the adequacy of the security.

20. PROCEDURES IF TRANSMISSION PROVIDER IS UNABLE TO COMPLETE NEW TRANSMISSION FACILITIES FOR FIRM POINT-TO-POINT TRANSMISSION SERVICE

20.1 Delays in Construction of New Facilities:

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

20.2 Alternatives to the Original Facility Additions:

When the review process of Section 20.1 determines that one or more alternatives exist to the originally planned construction project, Transmission Provider shall present such alternatives for consideration by Transmission Customer. If, upon review of any alternatives, Transmission Customer desires to maintain its Completed Application subject to construction of the alternative facilities, it may request Transmission Provider to submit a revised Service Agreement for Firm Point-To-Point Transmission Service. If the alternative approach solely involves Non-Firm Point-To-Point Transmission Service, Transmission Provider shall tender a Service Agreement for Non-Firm Point-To-Point Transmission Service providing for the service upon Transmission Customer's application for a Service Agreement per Section 14.4. In the event Transmission Provider concludes that no reasonable alternative exists, and Transmission Customer disagrees, Transmission Customer may seek relief under the dispute resolution procedures pursuant to Section 11.

20.3 Refund Obligation for Unfinished Facility Additions:

If Transmission Provider and Transmission Customer mutually agree that no other reasonable alternatives exist and the requested service cannot be provided out of existing capability under the conditions of Part II of the Tariff, the obligation to provide the requested Firm Point-To-Point Transmission Service shall terminate and any deposit made by Transmission Customer shall be returned without interest. However, Transmission Customer shall be responsible for all prudently incurred costs by Transmission Provider through the time construction was suspended.

21. PROVISIONS RELATING TO TRANSMISSION CONSTRUCTION AND SERVICES ON THE SYSTEMS OF OTHER UTILITIES

21.1 Responsibility for Third-Party System Additions:

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

21.2 Coordination of Third-Party System Additions:

In circumstances where the need for transmission facilities or upgrades is identified pursuant to the provisions of Part II of the Tariff, and if such upgrades further require the addition of transmission facilities on other systems, Transmission Provider shall have the right to coordinate construction on its own system with the construction required by others. Transmission Provider, after consultation with Transmission Customer and representatives of such other systems, may defer construction of its new transmission facilities if the new transmission facilities on another system cannot be completed in a timely manner. Transmission Provider shall notify Transmission Customer in writing of the basis for any decision to defer construction and the specific problems which must be resolved before it will initiate or resume construction of new facilities. Within sixty (60) calendar days of receiving written notification by Transmission Provider of its intent to defer construction pursuant to this Section 21.2, Transmission Customer may challenge the decision in accordance with the dispute resolution procedures.

22. CHANGES IN SERVICE SPECIFICATIONS

22.1 Modifications on a Non-Firm Basis:

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

- (i) Service provided over Secondary Receipt and Delivery Points will be non-firm only, on an as-available basis and will not displace any firm or non-firm service reserved or scheduled by third parties under the Tariff or by Transmission Provider on behalf of its Native Load Customers.
- (ii) The sum of all Firm and Non-Firm Point-To-Point Transmission Service provided to Transmission Customer at any time pursuant to this Section 22 shall not exceed the Reserved Capacity in the relevant Service Agreement under which such services are provided.
- (iii) Transmission Customer shall retain its right to schedule Firm Point-To-Point Transmission Service at the Receipt and Delivery Points specified in the relevant Service Agreement in the amount of its original capacity reservation.
- (iv) Service over Secondary Receipt and Delivery Points on a non-firm basis shall not require the filing of an Application for Non-Firm Point-To-Point Transmission Service under the Tariff. However, all other requirements of Part II of the Tariff

(except as to transmission rates) shall apply to transmission service on a non-firm basis over Secondary Receipt and Delivery Points.

22.2 Modification on a Firm Basis:

Any request by a Transmission Customer to modify Receipt and Delivery Points on a firm basis shall be treated as a new request for service in accordance with Section 17 hereof, except that such Transmission Customer shall not be obligated to pay any additional deposit if the capacity reservation does not exceed the amount reserved in the existing Service Agreement. While such new request is pending, Transmission Customer shall retain its priority for service at the existing firm Receipt and Delivery Points specified in its Service Agreement

23. SALE OR ASSIGNMENT OF TRANSMISSION SERVICE

23.1 Procedures for Assignment or Transfer of Service:

23.1.1 A Transmission Customer may sell, assign, or transfer all or a portion of its rights under its Service Agreement, but only to another Eligible Customer (the Assignee). Transmission Customer that sells, assigns or transfers its rights under its Service Agreement is hereafter referred to as the Reseller. All commercial terms and conditions related to the transfer of rights shall be established by separate agreement between the Reseller and the Assignee. Transmission Provider may amend applicable Service Agreements to reflect its revised service level if Reseller sells, assigns, or transfers a portion of its rights.

23.1.2 The Assignee must execute a service agreement with Transmission Provider governing reassignments of transmission service prior to the date on which the reassigned service commences. If the Assignee does not request any change in the Point(s) of Receipt or the Point(s) of Delivery, or a change in any other term or condition set forth in the original Service Agreement, the Assignee will receive the same services as did the Reseller and the priority of service for the Assignee will be the same as that of the Reseller. The Assignee will be subject to all terms and conditions of this Tariff. If the Assignee requests a change in service, the reservation priority of service will be determined by Transmission Provider pursuant to Section 13.2. Following an assignment, the Reseller will continue to be responsible for all charges under Schedule 7 for PTP Transmission Service and for the applicable Ancillary Service Charges under Schedules 1, 2 and 11. The Assignee will be responsible for the applicable Ancillary Services Charges under Schedules 3, 4, 5, 6, and 9 and for charges for Real Power Losses per Section 15.7.

23.2 Limitations on Assignment or Transfer of Service:

If the Assignee requests a change in the Point(s) of Receipt or Point(s) of Delivery, or a change in any other specifications set forth in the original Service Agreement, Transmission Provider will consent to such change subject to the provisions of the Tariff, provided that the change will not impair the operation and reliability of Transmission Provider's generation, transmission, or distribution systems. The Assignee shall compensate Transmission Provider for performing any System Impact Study needed to evaluate the capability of the Transmission System to accommodate the proposed change

and any additional costs resulting from such change. The Reseller shall remain liable for the performance of all obligations under the Service Agreement, except as specifically agreed to by Transmission Provider and the Reseller through an amendment to the Service Agreement.

23.3 Information on Assignment or Transfer of Service:

All sales or assignments of capacity must be conducted through or otherwise posted on Transmission Provider's OASIS on or before the date the reassigned service commences and are subject to Section 23.1. Resellers may also use Transmission Provider's OASIS to post transmission capacity available for resale.

24. METERING AND POWER FACTOR CORRECTION AT RECEIPT AND DELIVERY POINTS(S)

24.1 Transmission Customer Obligations:

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

24.2 Transmission Provider Access to Metering Data:

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

24.3 Power Factor:

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

25. COMPENSATION FOR TRANSMISSION SERVICE

Rates for Firm and Non-Firm Point-To-Point Transmission Service are provided in the schedules appended to the Tariff: Firm Point-To-Point Transmission Service (Schedule 7); and Non-Firm Point-To-Point Transmission Service (Schedule 8). Transmission Provider shall use Part II of the Tariff to make its Third-Party Sales. Transmission Provider shall account for such use at the applicable Tariff rates, pursuant to Section 8.

26. STRANDED COST RECOVERY

Transmission Provider may seek to recover stranded costs from Transmission Customer pursuant to this Tariff in accordance with the terms and conditions set forth for public utilities in FERC Order No. 888. However, Transmission Provider's proposed stranded cost recovery shall be subject to the dispute resolution procedures of this Tariff applying FERC precedent under Order 888.

27. COMPENSATION FOR NEW FACILITIES

Whenever a System Impact Study performed by Transmission Provider in connection with the provision of Firm Point-To-Point Transmission Service identifies the need for new facilities, Transmission Customer shall be responsible for such costs.

III. NETWORK INTEGRATION TRANSMISSION SERVICE

Preamble

Transmission Provider will provide Network Integration Transmission Service pursuant to the applicable terms and conditions contained in the Tariff and Service Agreement. Network Integration Transmission Service allows the Network Customer to integrate, economically dispatch and regulate its current and planned Network Resources to serve its Network Load in a manner comparable to that in which Transmission Provider utilizes its Transmission System to serve its Native Load Customers. Network Integration Transmission Service also may be used by the Network Customer to deliver economy energy purchases to its Network Load from non-designated resources on an as-available basis without additional charge. Transmission service for sales to non-designated loads will be provided pursuant to the applicable terms and conditions of Part II of the Tariff.

28. NATURE OF NETWORK INTEGRATION TRANSMISSION SERVICE

28.1 Scope of Service:

Network Integration Transmission Service is a transmission service that allows Network Customers to efficiently and economically utilize their Network Resources (as well as other non-designated generation resources) to serve their Network Load located in Transmission Provider's Balancing Authority Area and any additional load that may be designated pursuant to Section 31.3 of the Tariff. The Network Customer taking Network Integration Transmission Service must obtain or provide Ancillary Services pursuant to Section 3.

28.2 Transmission Provider Responsibilities:

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

28.3 Network Integration Transmission Service:

Transmission Provider will provide firm transmission service over its Transmission System to the Network Customer for the delivery of capacity and energy from its designated Network Resources to service its Network Loads on a basis that is comparable to Transmission Provider's use of the Transmission System to reliably serve its Native

Load Customers.

28.4 Secondary Service:

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

28.5 Real Power Losses:

Real power losses are associated with all transmission service. The Network Customer will pay for losses per the terms and loss factors stated in Rate Schedule 33 - Wholesale Ancillary Services. (see www.grantpud.org)

28.6 Restrictions on Use of Service:

The Network Customer shall not use Network Integration Transmission Service for (i) sales of capacity and energy to non-designated loads, or (ii) direct or indirect provision of transmission service by the Network Customer to third parties. All Network Customers taking Network Integration Transmission Service shall use Point-To-Point Transmission Service under Part II of the Tariff for any Third-Party Sale which requires use of Transmission Provider's Transmission System. Transmission Provider shall specify any appropriate charges and penalties and all related terms and conditions applicable in the event that a Network Customer uses Network Integration Transmission Service or secondary service pursuant to Section 28.4 to facilitate a wholesale sale that does not serve a Network Load.

29. INITIATING SERVICE

29.1 Condition Precedent for Receiving Service:

Subject to the terms and conditions of Part III of the Tariff, Transmission Provider will provide Network Integration Transmission Service to any Eligible Customer, provided that (i) Eligible Customer completes an Application for service as provided under Part III of the Tariff, (ii) Eligible Customer and Transmission Provider complete the technical arrangements set forth in Sections 29.3 and 29.4, (iii) Eligible Customer executes a Service Agreement pursuant to Attachment F for service under Part III of the Tariff, and (iv) Eligible Customer executes a Network Operating Agreement with Transmission Provider pursuant to Attachment G.

29.2 Application Procedures:

An Eligible Customer requesting service under Part III of the Tariff must submit an Application, with a deposit approximating the charge for one month of service, to Transmission Provider as far as possible in advance of the month in which service is to commence. Unless subject to the procedures in Section 2, Completed Applications for Network Integration Transmission Service will be assigned a priority according to the date

and time the Application is received, with the earliest Application receiving the highest priority. Applications should be submitted by entering the information listed below on Transmission Provider's OASIS. Prior to implementation of Transmission Provider's OASIS, a Completed Application may be submitted by transmitting the required information to Transmission Provider by email to transmissionservices@gcpud.org. The email will provide a time-stamped record for establishing the service priority of the Application. A Completed Application shall provide all of the information included in 18 CFR § 2.20 including but not limited to the following:

- (i) The identity, address, telephone number and email address of the party requesting service;
- (ii) A statement that the party requesting service is, or will be upon commencement of service, an Eligible Customer under the Tariff;
- (iii) A description of the Network Load at each delivery point. This description should separately identify and provide Eligible Customer's best estimate of the total loads to be served at each voltage level, and the loads to be served from each Transmission Provider substation at the same transmission or distribution voltage level. The description should include a ten (10) year forecast of summer and winter load and resource requirements beginning with the first year after the service is scheduled to commence;
- (iv) The amount and location of any interruptible loads included in the Network Load. This shall include the summer and winter capacity requirements for each interruptible load (had such load not been interruptible), that portion of the load subject to interruption, the conditions under which an interruption can be implemented and any limitations on the amount and frequency of interruptions. An Eligible Customer should identify the amount of interruptible customer load (if any) included in the 10-year load forecast provided in response to (iii) above;
- (v) A description of Network Resources (current and 10-year projection). For each on-system Network Resource, such description shall include:
 - Unit size and amount of capacity from that unit to be designated as Network Resource
 - VAR capability (both leading and lagging) of all generators
 - Operating restrictions
 - Any periods of restricted operations throughout the year
 - Maintenance schedules
 - Minimum loading level of unit
 - Normal operating level of unit
 - Any must-run unit designations required for system reliability or contract reasons
 - Arrangements governing sale and delivery of power to third parties from generating facilities located in Transmission Provider Balancing Authority Area, where only a portion of unit output is designated as a Network Resource;

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

- Identification of the Network Resource as an off-system resource
 - Amount of power to which the customer has rights
 - Identification of the Balancing Authority Area from which the power will originate
 - Delivery point(s) to Transmission Provider's Transmission System
 - Transmission arrangements on the external transmission system(s)
 - Operating restrictions, if any
 - Any periods of restricted operations throughout the year
 - Maintenance schedules
 - Minimum loading level of unit
 - Normal operating level of unit
 - Any must-run unit designations required for system reliability or contract reasons
- (vi) Description of Eligible Customer's transmission system:
- Power flow and stability data, such as real and reactive parts of the load, lines, transformers, reactive devices and load type, including normal and emergency ratings of all transmission equipment in a power flow format compatible with that used by Transmission Provider. If requested by Transmission Provider for any particular generation facilities or loads, an Eligible Customer must provide specific modeling data and provide test results demonstrating the accuracy of their modeling data to actual operation.
 - Operating restrictions needed for reliability
 - Operating guides employed by system operators
 - Contractual restrictions or committed uses of Eligible Customer's transmission system, other than Eligible Customer's Network Loads and Resources
 - Location of Network Resources described in subsection (v) above
 - 10-year projection of system expansions or upgrades
 - Transmission System maps that include any proposed expansions or upgrades
 - Thermal ratings of Eligible Customer's Balancing Authority Area ties with other Balancing Authority Areas;
- (vii) Service Commencement Date and the term of the requested Network Integration Transmission Service. The minimum term for Network Integration Transmission Service is one year;
- (viii) A statement signed by an authorized officer from or agent of the Network Customer attesting that all of the network resources listed pursuant to Section 29.2(v) satisfy the following conditions: (1) the Network Customer owns the resource, has committed to purchase generation pursuant to an executed contract, or has committed to purchase generation where execution of a contract is contingent upon the availability of transmission service under Part III of the Tariff; and (2) the Network Resources do not include any resources, or any portion

thereof, that are committed for sale to non-designated third party load or otherwise cannot be called upon to meet the Network Customer's Network Load on a non-interruptible basis, except for purposes of fulfilling obligations under a reserve sharing program;

- (ix) Transmission Customer does not own, control or operate transmission facilities, it must include in its Application a sworn statement of one of its duly authorized officers or other representatives that the purpose of its Application is not to assist an Eligible Customer to avoid the requirements of the reciprocity requirements of Section 6; and
- (x) Any additional information required of Transmission Customer as specified in Transmission Provider's planning process established in Attachment K.

Unless the Parties agree to a different time frame, Transmission Provider must acknowledge the request within ten (10) calendar days of receipt. The acknowledgement must include a date by which a response, including a Service Agreement, will be sent to Eligible Customer. If an Application fails to meet the requirements of this Section 29, Transmission Provider shall notify Eligible Customer requesting service within fifteen (15) calendar days of receipt and specify the reasons for such failure. Wherever possible, Transmission Provider will attempt to remedy deficiencies in the Application through informal communications with Eligible Customer. If such efforts are unsuccessful, Transmission Provider shall return the Application without prejudice to Eligible Customer filing a new or revised Application that fully complies with the requirements of this Section 29. Eligible Customer will be assigned a new priority consistent with the date of the new or revised Application.

29.3 Technical Arrangements to be Completed Prior to Commencement of Service:

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

29.4 Network Customer Facilities:

The provision of Network Integration Transmission Service shall be conditioned upon the Network Customer's constructing, maintaining and operating the facilities on its side of each delivery point or interconnection necessary to reliably deliver capacity and energy from Transmission Provider's Transmission System to the Network Customer. The Network Customer shall be solely responsible for constructing or installing all facilities on the Network Customer's side of each such delivery point or interconnection.

29.5 Executed Service Agreement Required:

Service will be commenced following the execution of a Service Agreement consistent with the terms of this Tariff.

30. NETWORK RESOURCES

30.1 Designation of Network Resources:

Network Resources shall include all generation owned, purchased or leased by the Network Customer designated to serve Network Load under the Tariff.

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

30.2 Designation of New Network Resources:

The Network Customer may designate a new Network Resource by providing Transmission Provider with as much advance notice as practicable. A designation of a new Network Resource must be made through Transmission Provider's OASIS by a request for modification of service pursuant to an Application under Section 29. This request must include a statement that the new network resource satisfies the following conditions: (1) the Network Customer owns the resource, has committed to purchase generation pursuant to an executed contract, or has committed to purchase generation where execution of a contract is contingent upon the availability of transmission service under Part III of the Tariff; and (2) The Network Resources do not include any resources, or any portion thereof, that are committed for sale to non-designated third party load or otherwise cannot be called upon to meet the Network Customer's Network Load on a non-interruptible basis, except for purposes of fulfilling obligations under a reserve sharing program. The Network Customer's request will be deemed deficient if it does not include this statement and Transmission Provider will follow the procedures for a deficient application as described in Section 29.2 of the Tariff.

30.3 Termination of Network Resources:

The Network Customer may terminate the designation of all or part of a generating resource as a Network Resource by providing notification to Transmission Provider through OASIS as soon as reasonably practicable, but not later than the firm scheduling deadline for the period of termination. Any request for termination of Network Resource status must be submitted on OASIS and should indicate whether the request is for indefinite or temporary termination. A request for indefinite termination of Network Resource status must indicate the date and time that the termination is to be effective, and the identification and capacity of the resource(s) or portions thereof to be indefinitely terminated. A request for temporary termination of Network Resource status must include the following:

- (i) Effective date and time of temporary termination;
- (ii) Effective date and time of redesignation, following period of temporary termination;
- (iii) Identification and capacity of resource(s) or portions thereof to be temporarily terminated;
- (iv) Resource description and attestation for redesignating the network resource following the temporary termination, in accordance with Section 30.2; and

- (v) Identification of any related transmission service requests to be evaluated concomitantly with the request for temporary termination, such that the requests for undesignation and the request for these related transmission service requests must be approved or denied as a single request. The evaluation of these related transmission service requests must take into account the termination of the network resources identified in (iii) above, as well as all competing transmission service requests of higher priority.

As part of a temporary termination, a Network Customer may only redesignate the same resource that was originally designated, or a portion thereof. Requests to redesignate a different resource and/or a resource with increased capacity will be deemed deficient and Transmission Provider will follow the procedures for a deficient application as described in Section 29.2 of the Tariff.

30.4 Operation of Network Resources:

The Network Customer shall not operate its designated Network Resources located in the Network Customer's or Transmission Provider's Balancing Authority Area such that the output of those facilities exceeds its designated Network Load, plus Non-Firm Sales delivered pursuant to Part II of the Tariff, plus losses, plus power sales under a reserve sharing program, plus sales that permit curtailment without penalty to serve its designated Network Load. This limitation shall not apply to changes in the operation of a Transmission Customer's Network Resources at the request of Transmission Provider to respond to an emergency or other unforeseen condition which may impair or degrade the reliability of the Transmission System. For all Network Resources not physically connected with Transmission Provider's Transmission System, the Network Customer may not schedule delivery of energy in excess of the Network Resource's capacity, as specified in the Network Customer's Application pursuant to Section 29, unless the Network Customer supports such delivery within Transmission Provider's Transmission System by either obtaining Point-to-Point Transmission Service or utilizing secondary service pursuant to Section 28.4. Transmission Provider shall specify the rate treatment and all related terms and conditions applicable in the event that a Network Customer's schedule at the delivery point for a Network Resource not physically interconnected with Transmission Provider's Transmission System exceeds the Network Resource's designated capacity, excluding energy delivered using secondary service or Point-to-Point Transmission Service.

30.5 Transmission Arrangements for Network Resources Not Physically Interconnected with Transmission Provider:

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

30.6 Limitation on Designation of Network Resources:

The Network Customer must demonstrate that it owns or has committed to purchase generation pursuant to an executed contract in order to designate a generating resource as a Network Resource. Alternatively, the Network Customer may establish that execution

of a contract is contingent upon the availability of transmission service under Part III of the Tariff.

30.7 Use of Interface Capacity by the Network Customer:

There is no limitation upon a Network Customer's use of Transmission Provider's Transmission System at any particular interface to integrate the Network Customer's Network Resources (or substitute economy purchases) with its Network Loads. However, a Network Customer's use of Transmission Provider's total interface capacity with other transmission systems may not exceed the Network Customer's Load.

30.8 Network Customer Owned Transmission Facilities:

The Network Customer that owns existing transmission facilities that are integrated with Transmission Provider's Transmission System may be eligible to receive consideration either through a billing credit or some other mechanism. In order to receive such consideration, the Network Customer must demonstrate that its transmission facilities are integrated into the plans or operations of Transmission Provider, to serve its power and transmission customers. For facilities added by the Network Customer subsequent to (January 1, 2026), as determined by final action of the Grant PUD Commission, the Network Customer shall receive credit for such transmission facilities added if such facilities are integrated into the operations of Transmission Provider's facilities; provided however, the Network Customer's transmission facilities shall be presumed to be integrated if such transmission facilities, if owned by Transmission Provider, would be eligible for inclusion in Transmission Provider's annual transmission revenue requirement as specified in Attachment H. Calculation of any credit under this subsection shall be addressed in either the Network Customer's Service Agreement or any other agreement between the Parties.

31. DESIGNATION OF NETWORK LOAD

31.1 Network Load:

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

31.2 New Network Loads Connected with Transmission Provider:

The Network Customer shall provide Transmission Provider with as much advance notice as reasonably practicable of the designation of new Network Load that will be added to its Transmission System. A designation of new Network Load must be made through a modification of service pursuant to a new Application. Transmission Provider will use due diligence to install any transmission facilities required to interconnect a new Network Load designated by the Network Customer. The costs of new facilities required to interconnect a new Network Load shall be determined in accordance with the procedures provided in Section 32.5 and shall be charged to the Network Customer.

31.3 Network Load Not Physically Interconnected with Transmission Provider:

This Section 31.3 applies to both initial designation pursuant to Section 31.1 and the subsequent addition of new Network Load not physically interconnected with

Transmission Provider. To the extent that the Network Customer desires to obtain transmission service for a load outside Transmission Provider's Transmission System, the Network Customer shall have the option of (1) electing to include the entire load as Network Load for all purposes under Part III of the Tariff and designating Network Resources in connection with such additional Network Load, or (2) excluding that entire load from its Network Load and purchasing Point-To-Point Transmission Service under Part II of the Tariff. To the extent that the Network Customer gives notice of its intent to add a new Network Load as part of its Network Load pursuant to this Section 31.3 the request must be made through a modification of service pursuant to a new Application.

31.4 New Interconnection Points:

To the extent the Network Customer desires to add a new Delivery Point or interconnection point between Transmission Provider's Transmission System and a Network Load, the Network Customer shall provide Transmission Provider with as much advance notice as reasonably practicable.

31.5 Changes in Service Requests:

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

31.6 Annual Load and Resource Information Updates:

The Network Customer shall provide Transmission Provider with annual updates of Network Load and Network Resource forecasts consistent with those included in its Application for Network Integration Transmission Service under Part III of the Tariff including, but not limited to, any information provided under Section 29.2(ix) pursuant to Transmission Provider's planning process in Attachment K. The Network Customer also shall provide Transmission Provider with timely written notice of material changes in any other information provided in its Application relating to the Network Customer's Network Load, Network Resources, its transmission system or other aspects of its facilities or operations affecting Transmission Provider's ability to provide reliable service.

32. ADDITIONAL STUDY PROCEDURES FOR NETWORK INTEGRATION TRANSMISSION SERVICE REQUESTS

32.1 Notice of Need for System Impact Study:

After receiving a request for service, Transmission Provider shall determine on a non-discriminatory basis whether a System Impact Study is needed. A description of Transmission Provider's methodology for completing a System Impact Study is provided in Attachment D. If Transmission Provider determines that a System Impact Study is necessary to accommodate the requested service, it shall so inform Eligible Customer, as soon as practicable. In such cases, Transmission Provider shall within sixty (60) calendar days of receipt of a Completed Application, tender a System Impact Study Agreement pursuant to which Eligible Customer shall agree to pay Transmission Provider for

performing the required System Impact Study. For a service request to remain a Completed Application, Eligible Customer shall execute the System Impact Study Agreement and return it to Transmission Provider within fifteen (15) calendar days. If Eligible Customer elects not to execute the System Impact Study Agreement, its Application shall be deemed withdrawn and its deposit shall be returned without interest.

32.2 System Impact Study Agreement and Payment:

32.2.1 The System Impact Study Agreement will clearly specify Transmission Provider's estimate of the actual cost, and time for completion of the System Impact Study. The charge shall not exceed the actual cost of the study. In performing the System Impact Study, Transmission Provider shall rely, to the extent reasonably practicable, on existing transmission planning studies. Eligible Customer will not be assessed a charge for such existing studies; however, Eligible Customer will be responsible for charges associated with any modifications to existing planning studies that are reasonably necessary to evaluate the impact of eligible Customer's request for service on the Transmission System.

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

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

32.3 System Impact Study Procedures:

Upon receipt of an executed System Impact Study Agreement, Transmission Provider will use due diligence to complete the required System Impact Study as soon as reasonable and practical. The System Impact Study shall identify (1) any system constraints, identified with specificity by transmission element or flowgate, (2) available options for installation of automatic devices to Curtail service (when requested by an Eligible Customer), and (3) additional Direct Assignment Facilities or Network Upgrades required to provide the requested service. If Transmission Provider possesses information indicating that any resource outside its Balancing Authority Area could relieve the constraint, it shall identify each such resource in the System Impact Study. In the event that Transmission Provider is unable to complete the required System Impact Study within a reasonable time period, it shall so notify Eligible Customer and provide an estimated completion date along with an explanation of the reasons why additional time is required to complete the required studies. A copy of the completed System Impact Study and related work papers shall be made available to Eligible Customer as soon as the System Impact Study is complete. Transmission Provider will use the same due diligence in completing the System Impact Study for an Eligible Customer as it uses when completing studies for itself. Transmission Provider shall notify Eligible Customer immediately upon completion of the System Impact Study if the Transmission System will be adequate to accommodate all or part of a request for service or that no costs are likely to be incurred for new transmission facilities or upgrades. In order for a request to remain a Completed Application, within fifteen (15) calendar days of completion of the System Impact Study Eligible Customer must execute a Service Agreement, or the Application shall be deemed

terminated and withdrawn.

32.4 Notice of Need for Environmental Study:

If Transmission Provider determines that an Environmental Study is required in response to a request for service, Transmission Provider shall tender an Environmental Study agreement as soon as practicable. Pursuant to such agreement Eligible Customer shall agree to pay Transmission Provider for performing the Environmental Study. Eligible Customer shall execute and return the Environmental Study agreement within thirty (30) calendar days of receipt, or its application shall be deemed withdrawn and its deposit shall be returned without interest. Transmission Provider must comply with state and federal law and local regulations, if any, regarding an Environmental Study. The need for an Environmental Study may be determined at any point in the process of evaluating a request for service. The results of the Environmental Study may impact the identified facilities and the costs of such facilities identified in a Facilities Study per Section 32.5 and may result in a need to update a Facilities Study to represent these costs.

32.5 Facilities Study Procedures:

If a System Impact Study indicates that additions or upgrades to the Transmission System are needed to supply Eligible Customer's service request, Transmission Provider, within sixty (60) calendar days of the completion of the System Impact Study, shall tender to Eligible Customer a Facilities Study agreement pursuant to which Eligible Customer shall agree to pay Transmission Provider for performing the required Facilities Study. For a service request to remain a Completed Application, Eligible Customer shall execute the Facilities Study agreement and return it to Transmission Provider within fifteen (15) calendar days. If Eligible Customer elects not to execute the Facilities Study agreement, its Application shall be deemed withdrawn and its deposit shall be returned without interest. Upon receipt of an executed Facilities Study agreement, Transmission Provider will use due diligence to complete the required Facilities Study as soon as reasonable and practical. If Transmission Provider is unable to complete the Facilities Study in a reasonable time period, Transmission Provider shall notify Eligible Customer and provide an estimate of the time needed to reach a final determination along with an explanation of the reasons that additional time is required to complete the study. When completed, the Facilities Study will include a good faith estimate of (i) the cost of Direct Assignment Facilities to be charged to Eligible Customer, (ii) Eligible Customer's appropriate share of the cost of any required Network Upgrades, and (iii) the estimated time required to complete such construction and initiate the requested service. Eligible Customer shall provide Transmission Provider with a letter of credit or other reasonable form of security acceptable to Transmission Provider equivalent to the costs of new facilities or upgrades consistent with commercial practices as established by the Uniform Commercial Code. Eligible Customer shall have thirty (30) calendar days to execute a Service Agreement and provide the required letter of credit or other form of security or the request no longer will be a Completed Application and shall be deemed terminated and withdrawn.

33. LOAD SHEDDING AND CURTAILMENTS

33.1 Procedures:

Prior to the Service Commencement Date, Transmission Provider and the Network Customer shall establish Load Shedding and Curtailment procedures pursuant to the Network Operating Agreement with the objective of responding to contingencies on the

Transmission System and on systems directly and indirectly interconnected with Transmission Provider's Transmission System. The Parties will implement such programs during any period when Transmission Provider determines that a system contingency exists and such procedures are necessary to alleviate such contingency. Transmission Provider will notify all affected Network Customers in a timely manner of any scheduled Curtailment.

33.2 Transmission Constraints:

During any period when Transmission Provider determines that a transmission constraint exists on the Transmission System, and such constraint may impair the reliability of Transmission Provider's system, Transmission Provider will take whatever actions, consistent with Good Utility Practice, that are reasonably necessary to maintain the reliability of Transmission Provider's system.

33.3 Curtailments of Scheduled Deliveries:

If Transmission Provider determines that it is necessary to Curtail scheduled deliveries, the Parties shall Curtail such schedules in accordance with the Network Operating Agreement.

33.4 Allocation of Curtailments:

Transmission Provider shall, on a non-discriminatory basis, Curtail the transaction(s) that effectively relieve the constraint. However, to the extent practicable and consistent with Good Utility Practice, any Curtailment will be shared by Transmission Provider and Network Customer in proportion to their respective Load Ratio Shares. Transmission Provider shall not direct the Network Customer to Curtail schedules to an extent greater than Transmission Provider would Curtail Transmission Provider's schedules under similar circumstances.

33.5 Load Shedding:

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

33.6 System Reliability:

Notwithstanding any other provisions of this Tariff, Transmission Provider reserves the right, consistent with Good Utility Practice and on a not unduly discriminatory basis, to Curtail Network Integration Transmission Service without liability on Transmission Provider's part for the purpose of making necessary adjustments to, changes in, or repairs on its lines, substations and facilities, and in cases where the continuance of Network Integration Transmission Service would endanger persons or property. In the event of any adverse condition(s) or disturbance(s) on Transmission Provider's Transmission System or on any other system(s) directly or indirectly interconnected with Transmission Provider's Transmission System, Transmission Provider, consistent with Good Utility Practice, also may Curtail Network Integration Transmission Service in order to (i) limit the extent or damage of the adverse condition(s) or disturbance(s), (ii) prevent damage to generating or transmission facilities, or (iii) expedite restoration of service.

Transmission Provider will give the Network Customer as much advance notice as is practicable in the event of such Curtailment. Any Curtailment of Network Integration Transmission Service will be not unduly discriminatory relative to Transmission Provider's use of the Transmission System on behalf of its Native Load Customers. Transmission Provider shall specify the rate treatment and all related terms and conditions applicable in the event that the Network Customer fails to respond to established Load Shedding and Curtailment procedures.

34. RATES AND CHARGES

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

34.1 Monthly Demand Charge:

The Network Customer shall pay a monthly Demand Charge, which shall be determined by multiplying its Load Ratio Share times one twelfth (1/12) of Transmission Provider's Annual Transmission Revenue Requirement specified in Attachment H.

34.2 Determination of Network Customer's Monthly Network Load:

The Network Customer's monthly Network Load is its hourly load (including its designated Network Load not physically interconnected with Transmission Provider under Section 31.3) coincident with Transmission Provider's Monthly Transmission System Peak.

34.3 Determination of Transmission Provider's Monthly Transmission System Load:

Transmission Provider's monthly Transmission System load is Transmission Provider's Monthly Transmission System Peak minus the coincident peak usage of all Firm Point-To-Point Transmission Service customers pursuant to Part II of this Tariff plus the Reserved Capacity of all Firm Point-To-Point Transmission Service customers.

34.4 Stranded Cost Recovery:

Transmission Provider may seek to recover stranded costs from the Network Customer pursuant to this Tariff in accordance with the terms and conditions set forth in FERC Order No. 888. However, Transmission Provider's proposed stranded cost recovery shall be subject to the dispute resolution procedures of this Tariff applying FERC precedent under Order 888.

35. OPERATING ARRANGEMENTS

35.1 Operation under the Network Operating Agreement:

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

35.2 Network Operating Agreement:

The terms and conditions under which the Network Customer shall operate its facilities

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

35.3 Network Operating Committee:

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

SCHEDULE 1 - Scheduling, System Control and Dispatch Service

This service is required to schedule the movement of power through, out of, within, or into a Balancing Authority Area. This service can be provided only by the operator of the Balancing Authority Area in which the transmission facilities used for transmission service are located. Scheduling, System Control and Dispatch Service is to be provided directly by Transmission Provider (if Transmission Provider is the Balancing Authority Area operator) or indirectly by Transmission Provider making arrangements with the Balancing Authority Area operator that performs this service for Transmission Provider's Transmission System. Transmission Customer must purchase this service from Transmission Provider or the Balancing Authority Area operator. The charges for Scheduling, System Control and Dispatch Service are to be based on the rates set forth below. To the extent the Balancing Authority Area operator performs this service for Transmission Provider, charges to Transmission Customer are to reflect only a pass-through of the costs charged to Transmission Provider by that Balancing Authority Area operator.

The charges for Scheduling, System Control and Dispatch Service provided by Transmission Provider under this Tariff are stated in Rate Schedule 33 Ancillary Services (see www.grantpud.org).

SCHEDULE 2 - Reactive Supply and Voltage Control from Generation or Other Sources Service

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

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

The charges for Reactive Supply and Voltage Control from Generation and Other Sources Service provided by Transmission Provider under this Tariff are stated in Rate Schedule 33 Ancillary Services (see www.grantpud.org).

SCHEDULE 3 - Regulation and Frequency Response Service

Regulation and Frequency Response Service is necessary to provide for the continuous balancing of resources (generation and interchange) with load and for maintaining scheduled interconnection frequency at sixty cycles per second (60 Hz). Regulation and Frequency Response Service is accomplished by committing on-line generation whose output is raised or lowered (predominantly through the use of automatic generating control equipment) and by other non-generation resources capable of providing this service as necessary to follow the moment-by-moment changes in load. The obligation to maintain this balance between resources and load lies with Transmission Provider (or the Balancing Authority Area operator that performs this function for Transmission Provider). Transmission Provider must offer this service when the transmission service is used to serve load within its Balancing Authority Area. Transmission Customer must either purchase this service from Transmission Provider or make alternative comparable arrangements to satisfy its Regulation and Frequency Response Service obligation. Transmission Provider will take into account the speed and accuracy of regulation resources in its determination of Regulation and Frequency Response reserve requirements, including as it reviews whether a self-supplying Transmission Customer has made alternative comparable arrangements. Upon request by the self-supplying Transmission Customer, Transmission Provider will share with Transmission Customer its reasoning and any related data used to make the determination of whether Transmission Customer has made alternative comparable arrangements.

The amount of and charges for Regulation and Frequency Response Service are set forth below. To the extent the Balancing Authority Area operator performs this service for Transmission Provider, charges to Transmission Customer are to reflect only a pass-through of the costs charged to Transmission Provider by that Balancing Authority Area operator.

The charges for Regulation and Frequency Response Service provided by Transmission Provider under this Tariff are stated in Rate Schedule 33 Ancillary Services (see www.grantpud.org).

SCHEDULE 4 - Energy Imbalance Service for Loads

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

The charges for Energy Imbalance Service for Loads provided by Transmission Provider under this Tariff are stated in Rate Schedule 33 Ancillary Services (see www.grantpud.org).

SCHEDULE 5 - Operating Reserve - Spinning Reserve Service

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

The charges for Operating Reserve – Spinning Reserve Service provided by Transmission Provider under this Tariff are stated in Rate Schedule 33 Ancillary Services (see www.grantpud.org).

SCHEDULE 6 - Operating Reserve - Supplemental Reserve Service

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

The charges for Operating Reserve – Supplemental Reserve Service provided by Transmission Provider under this Tariff are stated in Rate Schedule 33 Ancillary Services (see www.grantpud.org).

SCHEDULE 7 - Long-Term Firm and Short-Term Firm Point-To-Point Transmission Service

Transmission Customer shall compensate Transmission Provider each month for Reserved Capacity.

The charges for Long-Term Firm and Short-Term Firm Point-to-Point Transmission Service provided by Transmission Provider under this Tariff are stated in Rate Schedule 32 Point-to-Point Transmission Service (see www.grantpud.org).

1. Discounts: Three principal requirements apply to discounts for transmission service as follows (1) any offer of a discount made by Transmission Provider must be announced to all Eligible Customers solely by posting on the OASIS, (2) any customer-initiated requests for discounts (including requests for use by one's wholesale merchant or an Affiliate's use) must occur solely by posting on the OASIS, and (3) once a discount is negotiated, details must be immediately posted on the OASIS. For any discount agreed upon for service on a path, from point(s) of receipt to point(s) of delivery, Transmission Provider must offer the same discounted transmission service rate for the same time period to all Eligible Customers on all unconstrained transmission paths that go to the same point(s) of delivery on the Transmission System.
2. Resales: The rates and rules governing charges and discounts stated above shall not apply to resales of transmission service, compensation for which shall be governed by Section 23.1 of the Tariff.

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

Transmission Customer shall compensate Transmission Provider for Non- Firm Point-To-Point Transmission Service up to the sum of the applicable charges set forth below:

The charges for Non-Firm Point-to-Point Transmission Service provided by Transmission Provider under this Tariff are stated in Rate Schedule 32 Point-to-Point Transmission Service (see www.grantpud.org).

1. Discounts: Three principal requirements apply to discounts for transmission service as follows (1) any offer of a discount made by Transmission Provider must be announced to all Eligible Customers solely by posting on the OASIS, (2) any customer-initiated requests for discounts (including requests for use by one's wholesale merchant or an Affiliate's use) must occur solely by posting on the OASIS, and (3) once a discount is negotiated, details must be immediately posted on the OASIS. For any discount agreed upon for service on a path, from point(s) of receipt to point(s) of delivery, Transmission Provider must offer the same discounted transmission service rate for the same time period to all Eligible Customers on all unconstrained transmission paths that go to the same point(s) of delivery on the Transmission System.
2. Resales: The rates and rules governing charges and discounts stated above shall not apply to resales of transmission service, compensation for which shall be governed by Section 23.1 of the Tariff.

SCHEDULE 9 - Generator Imbalance Service

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

The charges for Generator Imbalance Service provided by Transmission Provider under this Tariff are stated in Rate Schedule 33 Ancillary Services (see www.grantpud.org).

SCHEDULE 10 - Unreserved Use of Transmission Service

Transmission Provider will impose an Unreserved Use charge in any circumstance where Transmission Provider detects that an Eligible Customer has used transmission service that it has not reserved (including instances where transmission was used in excess of the quantity reserved). For the purpose of this Schedule 10, and in accordance with Sections 3, 13.4, and 14.4 under this Tariff, such Eligible Customer shall be deemed to have executed the appropriate Service Agreement attached to this Tariff.

In each case of Unreserved Use, Transmission Customer shall pay, exclusive of any discounts that may be offered to any other Eligible Customer during the Unreserved Use period, an Unreserved Use charge. Transmission Provider will calculate the Unreserved Use charge as follows:

1. The Unreserved Use charge for each hour of Unreserved Use is two times Transmission Provider's rate at the time of the Unreserved Use for Daily Firm Point-To-Point Transmission Service as set forth on Schedule 7; and
2. For the actual period of Unreserved Use, Transmission Provider will charge Eligible Customer two times the posted rates for any ancillary services associated with the customer's actual Unreserved Use pursuant to the terms of Schedules 1, 2, 3, 4, 5, 6, 8, 9 and 11 of the Tariff.

SCHEDULE 11 – Generation and Storage Balancing Service

Generation and Storage Balancing Service is required to help maintain the power system frequency at 60 Hz and to conform to NERC and WECC reliability standards. Generation and Storage Balancing Service is accomplished primarily by committing on-line generation that can raise or lower output through the use of automatic generation control equipment.

Generation and Storage Balancing Service is provided when a difference occurs between the instantaneous output or consumption of a generation or storage facility and the schedule for the facility. Generation and Storage Balancing Service provides the necessary incremental and decremental capacity to allow the Balancing Authority to deliver the schedule to or from the generation or storage facility.

The charges for Generation and Storage Balancing Service provided by Transmission Provider under this Tariff are stated in Rate Schedule 33 Ancillary Services (see www.grantpud.org). Transmission Provider will determine the applicable rate from Rate Schedule 33 based on the characteristics of the facility.

**ATTACHMENT A - Form of Service Agreement for Long-Term Firm Point-To-Point
Transmission Service**

This Long-Term Firm Point-to-Point Transmission Service Agreement (“Service Agreement”), effective upon the date of the last Party’s signature below, is by and between Public Utility District No. 2 of Grant County, Washington (“Grant PUD”) and <TRANSMISSION CUSTOMER> (“Transmission Customer”), which hereinafter may be referred to individually as “Party” or collectively as “Parties”.

RECITALS

WHEREAS, Grant PUD provides Firm Point-to-Point Transmission Service over its Transmission System under Grant PUD’s Open Access Transmission Tariff (“Tariff”); and

WHEREAS, Transmission Customer desires to receive Long-Term Firm Point-to- Point Transmission Service under the Tariff; and

<Additional recitals as necessary to provide background for Service Agreement>

NOW THEREFORE, the Parties agree as follows:

1. Definitions

Unless otherwise defined herein, all capitalized terms shall have their respective meanings as set forth in the Tariff. <TRANSMISSION CUSTOMER> shall be Transmission Customer as such term is used in the Tariff and Grant PUD shall be Transmission Provider as such term is used in the Tariff.

2. Standard Provisions

- 2.1 Terms and Conditions: The terms and conditions under which Long-Term Firm Transmission Service is offered and accepted are pursuant to this Service Agreement and to the Tariff. The Tariff is hereby incorporated by this reference and made a part of this Service Agreement. Grant PUD may change the terms and conditions of the Tariff.
- 2.2 Incorporation of Exhibits: The following exhibits are incorporated herein and made a part of this Service Agreement. Exhibit 1 (Specifications and Charges for Long-Term Firm Point-to-Point Transmission Service) and Exhibit 2 (Specifications and Charges for Ancillary Services).
- 2.3 Completed Application: Grant PUD has determined that Transmission Customer is deemed to have a Completed Application for Firm Point-to-Point Transmission Service under the Tariff.
- 2.4 Application Deposit: Transmission Customer has provided to Grant PUD an Application deposit in accordance with the provisions of Section 17.3 of the Tariff.

3. Term and Regulatory Filing

- 3.1 Effective Date: This Service Agreement shall be effective on the date executed by both Parties. (“Effective Date”).
- 3.2 Service Commencement Date: Service under this Service Agreement shall commence on ____.

3.3 Termination of Agreement: This Service Agreement shall remain in effect through ____.

4. Long-Term Firm Point-to-Point Transmission Service

As of the Service Commencement Date Grant PUD shall provide, and Transmission Customer shall take and pay for, Long-Term Firm Point-to-Point Transmission Service pursuant to the Tariff. Exhibit 1 to this Service Agreement, as may be amended, lists the Points of Receipt and Points of Delivery, the amounts of Reserved Capacity at the Points of Receipt and Points of Delivery and applicable charges for Long-Term Firm Point-to-Point Transmission Service.

5. Other Services

As of the Service Commencement Date Grant PUD shall provide, and Transmission Customer shall take and pay for, all applicable Ancillary Services. The amounts of such services, specific terms and conditions associated with such services, and the charges for such services are listed in Exhibit 2 to this Service Agreement.

6. Construction of Facilities

<No construction/Construction> of Direct Assignment Facilities or Network Upgrades

<are/is> required for Firm Transmission Service to be provided pursuant to this Service Agreement. Such facilities, if any, shall be specified in Exhibit 1 or in a separate facilities construction agreement between the Parties.

7. Billing and Payment

Billing and payment for all services provided under this Service Agreement shall be pursuant to Section 7 of the Tariff. Bills sent to Transmission Customer shall be sent to:

Attention: ◇

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All payments to Grant PUD shall be to the account specified on each billing invoice.

8. If Transmission Customer does not own, control, or operate transmission facilities, Transmission Customer shall not use this Service Agreement to assist an Eligible Customer to avoid the reciprocity requirements of Section 6 of the Tariff.

9. Miscellaneous Provisions

9.1 Waivers: Any waiver at any time by either Party hereto of its rights with respect to the other Party or with respect to any matter arising in connection with this Service Agreement shall not be considered a waiver with respect to any other default of the same or any other matter.

9.2 Creditworthiness: Transmission Customer shall demonstrate and maintain creditworthiness per Section 10 of the Tariff.

- 9.3 Effect of Section Headings: Section headings appearing in this Service Agreement are inserted for convenience of reference only and shall not be construed to be interpretations of the text of this Service Agreement.
- 9.4 Notices: Any notice or request made to or by either Party regarding this Service Agreement shall be made to the representative of the other Party as indicated below.

Transmission Provider	Transmission Customer
Public Utility District No. 2 of Grant County, Washington Attn: Senior Manager Transmission Business Services PO Box 878 Ephrata, WA 98823 TransmissionServices@gcpud.org	

- 9.5 Notices of an Operating Nature: Any notice or request pertaining to matters of an operating or maintenance nature, or of a routine character pertaining to delivery or receipt of power, shall be given in such manner as the Parties from time to time shall arrange.

IN WITNESS WHEREOF, the Parties hereto have caused this Service Agreement to be executed in their respective names by their duly authorized representatives as of the dates noted below.

Public Utility District No. 2
of Grant County, Washington

Transmission Customer

By: _____

By: _____

Name: _____

Name: _____

Title: _____

Title: _____

Date: _____

Date: _____

EXHIBIT 1
SPECIFICATIONS AND CHARGES FOR LONG-TERM FIRM POINT-TO-POINT TRANSMISSION SERVICE

Point(s) of Receipt

Location:

Reserved Capacity:

Delivering Party:

Point(s) of Delivery

Location:

Reserved Capacity:

Receiving Party:

Reserved Capacity

Maximum Amount of Capacity and Energy to be Transmitted:

Monthly Transmission Charge

Pursuant to Schedule 7 of the Tariff

Real Power Losses

Pursuant to Section 15.7 of the Tariff

Applicable Delivery Voltage(s) for Real Power Losses:

Unreserved Use of Transmission Service

Pursuant to Schedule 10 of the Tariff

Direct Assignment Facilities Charges

Designation of Party Subject to Reciprocal Service Obligation

Pursuant to Section 6 of the Tariff

EXHIBIT 2
SPECIFICATIONS AND CHARGES FOR ANCILLARY SERVICES

Scheduling, System Control and Dispatch Service

Pursuant to Schedule 1 of the Tariff

Reactive Supply and Voltage Control from Generation Sources

Pursuant to Schedule 2 of the Tariff

Regulation and Frequency Response Service

Pursuant to Schedule 3 of the Tariff, as applicable

Energy Imbalance Service

Pursuant to Schedule 4 of the Tariff, as applicable

Operating Reserve - Spinning Reserve Service

Pursuant to Schedule 5 of the Tariff, as applicable

Operating Reserve - Supplemental Reserve Service

Pursuant to Schedule 6 of the Tariff, as applicable

Generator Imbalance Service

Pursuant to Schedule 9 of the Tariff, as applicable

Generation and Storage Balancing Service

Pursuant to Schedule 11 of the Tariff, as applicable

<Designation of applicable rate per Schedule 11>

<Other Ancillary Services>

**ATTACHMENT A-1 – Form of Service Agreement for the Resale, Reassignment or
Transfer of Long-Term Firm Point-To-Point Transmission Service**

1. This Service Agreement for the Resale, Reassignment or Transfer of Long-Term Firm Point-To-Point Transmission Service (“Service Agreement”), effective upon the date of the last Party’s signature below, is by and between Public Utility District No. 2 of Grant County, Washington (“Grant PUD”), and _____ (“Assignee”).
2. The Assignee has been determined by Grant PUD to be an Eligible Customer under the Tariff pursuant to which the transmission service rights to be transferred were originally obtained.
3. The terms and conditions for the transaction entered into under this Service Agreement shall be subject to the terms and conditions of Part II of Transmission Provider’s Tariff, except for those terms and conditions negotiated by the Reseller of the reassigned transmission capacity (pursuant to Section 23.1 of this Tariff) and the Assignee to include: contract effective and termination dates, the amount of reassigned capacity or energy, point(s) of receipt and delivery. Changes by the Assignee to the Reseller’s Points of Receipt and Points of Delivery will be subject to the provisions of Section 23.2 of this Tariff.
4. Assignee and Reseller will be responsible to pay for Ancillary Services and Real Power Losses per Section 23.1.2 of the Tariff.
5. Any notice or request made to or by either Party regarding this Service Agreement shall be made to the representative of the other Party as indicated below.

Transmission Provider	Assignee
Public Utility District No. 2 of Grant County, Washington Attn: Senior Manager Transmission Business Services PO Box 878 Ephrata, WA 98823 TransmissionServices@gcpud.org	

6. Specifications for the Resale, Reassignment, or Transfer of Long-Term Firm Point-To-Point Transmission Service:

6.1 Term of Transaction: _____

Start Date: _____

Termination Date: _____

- 6.2 Description of capacity and energy to be transmitted by Transmission Provider including the Balancing Authority in which the transaction originates.

6.3 Point(s) of Receipt: _____

Delivering Party: _____

- 6.4 Point(s) of Delivery: _____
Receiving Party: _____
- 6.5 Maximum amount of reassigned capacity: _____
- 6.6 Designation of party or parties subject to reciprocal service obligation:

- 6.7 Name(s) of any Intervening Systems providing transmission service:

- 6.8 Service under this Agreement may be subject to some combination of the charges detailed below. (The appropriate charges for individual transactions will be determined in accordance with the terms and conditions of the Tariff.)
- 6.8.1 Transmission Charge: As specified in Grant PUD's Rate Schedules
- 6.8.2 System Impact and/or Facilities Study Charge(s):

- 6.8.3 Direct Assignment Facilities Charge: _____
- 6.8.4 Ancillary Services Charges: _____
- 6.9 Name of Reseller of the reassigned transmission capacity:

7. The Tariff is incorporated herein and made a part hereof. Grant PUD may change the terms and conditions of the Tariff.

IN WITNESS WHEREOF, the Parties hereto have caused this Service Agreement to be executed in their respective names by their duly authorized representatives as of the dates noted below.

Public Utility District No. 2
of Grant County, Washington

Assignee

By: _____

By: _____

Name: _____

Name: _____

Title: _____

Title: _____

Date: _____

Date: _____

**ATTACHMENT B – Form of Service Agreement for Short-Term Firm Point-to-Point
Transmission Service and Non-Firm Point-To-Point Transmission Service**

This Short-Term Firm Point-to-Point Transmission Service and Non-Firm Point-to-Point Transmission Service Agreement (“Service Agreement”), effective upon the date of the last Party’s signature below, is by and between Public Utility District No. 2 of Grant County, Washington (“Grant PUD”), and _____ (“Transmission Customer”), which hereinafter may be referred to individually as "Party" or collectively as "Parties".

RECITALS

WHEREAS, Grant PUD provides Short-Term Firm Point-to-Point Transmission Service and Non-Firm Point-to-Point Transmission Service over its Transmission System under Grant PUD's Open Access Transmission Tariff; and

WHEREAS, Transmission Customer desires to obtain Short-Term Firm Point-to-Point Transmission Service and Non-Firm Point-to-Point Transmission Service over Grant PUD’s Transmission System from time to time.

NOW THEREFORE, the Parties agree as follows:

1. Definitions

Unless otherwise defined herein, all capitalized terms shall have their respective meanings as set forth in Grant PUD’s Open Access Transmission Tariff (“Tariff”). <TRANSMISSION CUSTOMER> shall be Transmission Customer as such term is used in the Tariff and Grant PUD shall be Transmission Provider as such term is used in the Tariff.

2. Standard Provisions

2.1 Terms and Conditions: The terms and conditions under which short-term firm and non- firm Transmission Service is offered and accepted are pursuant to this Service Agreement and to the Tariff. The Tariff is hereby incorporated by this reference and made a part of this Service Agreement as Exhibit 1. Grant PUD may change the terms and conditions of the Tariff.

2.2 Eligible Customer: Transmission Customer represents that it is an Eligible Customer under the Tariff.

3. Term

3.1 Effective Date: This Service Agreement shall be effective on the date set forth above (“Effective Date”) and shall remain in effect for 5 years following the Effective Date.

3.2 Termination Due to Lack of Creditworthiness: If at any time during the term of this Service Agreement Grant PUD should require Transmission Customer, by written notice and pursuant to Section 10 of the Tariff, to provide and maintain a form of security and Transmission Customer does not comply with this requirement within a reasonable period of time, Grant PUD may terminate this Service Agreement.

3.3 Termination Due to Customer Default: Grant PUD may terminate this Service Agreement due to

default by Transmission Customer including but not limited to default per Section 7.3 of the Tariff.

- 3.4 Termination of Agreement: Except as provided in Sections 3.1, 3.2 and 3.3, this Service Agreement shall remain in effect until such time as Transmission Customer provides written notice of termination to Grant PUD.

4 Point-to-Point Transmission Service

- 4.1 Grant PUD shall provide Short-Term Firm Point-to-Point Transmission Service and Non-Firm Point-to-Point Transmission Service upon request by an authorized representative of Transmission Customer.
- 4.2 Transmission Customer agrees to supply information which Grant PUD deems reasonably necessary in accordance with Good Utility Practice in order for it to provide the requested service.
- 4.3 Grant PUD shall provide, and Transmission Customer shall take and pay for, Short-Term Firm Point-to-Point Transmission Service and Non-Firm Point-to-Point Transmission Service pursuant to the provisions of Part II of the Tariff and this Service Agreement.
- 4.4 The applicable charges for Short-Term Firm Point-to-Point Transmission Service shall be pursuant to Schedule 7 of the Tariff.
- 4.5 The applicable charges for Non-Firm Point-to-Point Transmission Service shall be pursuant to Schedule 8 of the Tariff.
- 4.6 The applicable Ancillary Services for each purchase of Point-to-Point Transmission Service under this Service Agreement will be determined by Transmission Provider. The applicable charges for Ancillary Services shall be pursuant to Schedules 1, 2, 3, 4, 5, 6, 9, 11, and any additional applicable Ancillary Services added to the Tariff after the Effective Date of this Service Agreement per Section 3.
- 4.7 Transmission Customer shall reimburse Transmission Provider for losses pursuant to Section 15.7 of the Tariff.

5. Billing and Payment

Billing and payment for all services provided under this Service Agreement shall be pursuant to Section 7 of the Tariff. Bills sent to Transmission Customer shall be sent to:

Attention: ◇

◇

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All payments to Grant PUD shall be to the account specified on each billing invoice.

6. Resale, Reassignment, or Transfer

- 6.1 As an Eligible Customer under the Tariff, pursuant to which the transmission service rights to be

transferred were originally obtained, Transmission Customer (“Assignee”) may request and accept the resale, re-assignment or transfer of Short-Term Firm Point-to-Point Transmission Service by a Reseller.

- 6.2 The terms and conditions for any resale, re-assignment or transfer under this Service Agreement shall be subject to the terms and conditions of Part II of Grant PUD’s Tariff, except for those terms and conditions negotiated by the Reseller of the reassigned transmission capacity (pursuant to Section 23.1 of the Tariff) and Assignee, which may include: contract effective and termination dates, the amount of reassigned capacity or energy, Point(s) of Receipt and Point(s) of Delivery. Changes by the Assignee to the Reseller’s Point(s) of Receipt and Point(s) of Delivery shall be subject to the provisions of Section 23.2 of the Tariff.

Grant PUD is not responsible for any payment owed to the Reseller by the Assignee.

7. If Transmission Customer does not own, control, or operate transmission facilities, Transmission Customer shall not use this Service Agreement to assist an Eligible Customer to avoid the reciprocity requirements of Section 6 of the Tariff.

8. Miscellaneous Provisions

- 8.1 Waivers: Any waiver at any time by either Party hereto of its rights with respect to the other Party or with respect to any matter arising in connection with this Service Agreement shall not be considered a waiver with respect to any other default of the same or any other matter.
- 8.2 Creditworthiness: Transmission Customer shall demonstrate and maintain creditworthiness per Section 10 of the Tariff.
- 8.3 Effect of Section Headings: Section headings appearing in this Service Agreement are inserted for convenience of reference only and shall not be construed to be interpretations of the text of this Service Agreement.
- 8.4 Any notice or request made to or by either Party regarding this Service Agreement shall be made to the representative of the other Party as indicated below.

Transmission Provider	Transmission Customer
Public Utility District No. 2 of Grant County, Washington Attn: Senior Manager Transmission Business Services PO Box 878 Ephrata, WA 98823	

IN WITNESS WHEREOF, the Parties hereto have caused this Service Agreement to be executed in their respective names by their duly authorized representatives as of the dates noted below.

Public Utility District No. 2
of Grant County, Washington

Transmission Customer

By: _____

By: _____

Name: _____

Name: _____

Title: _____

Title: _____

Date: _____

Date: _____

ATTACHMENT C - Methodology to Assess Available Transfer Capability

Transmission Provider will comply with all its applicable standards and guidelines of NAESB or its successor(s) in assessing Available Transmission Capacity (ATC).

Transmission Provider details its ATC practices in the Available Transfer Capability Implementation Document (ATCID), posted on its OASIS website.

DRAFT

ATTACHMENT D - Methodology for Completing a System Impact Study

Grant PUD will assess the capability of its Transmission System to provide the service requested using the criteria and process for this assessment as detailed in the current applicable [FERC Form 715](#), Parts 4 and 5 of Grant PUD's annual submittal. In determining the level of capacity available for new requests for Point-to-Point Transmission Service, Transmission Provider may exclude, from capacity to be made available for new requests for Point-to-Point Transmission Service, that capacity needed to meet current and reasonably forecasted loads of Native Load Customers and Network Customers, and to meet contractual obligations existing prior to the initial implementation of the Grant PUD's OATT.

ATTACHMENT E - Index of Point-To-Point Transmission Service Customers

A list of Point-to-Point Transmission Service customers and Service Agreements can be found on Transmission Provider's OASIS.

DRAFT

ATTACHMENT F - Service Agreement for Network Integration Transmission Service

This document is intended to provide basic contract provisions for a Service Agreement for Network Integration Transmission Service under the Tariff and therefore may not contain all provisions which may be necessary in specific instances. Other provisions may be addressed in the specific agreements for each Transmission Customer requesting Network Integration Transmission Service.

This NETWORK INTEGRATION TRANSMISSION SERVICE AGREEMENT (“Service Agreement”), effective upon the date of the last Party’s signature below, is by and between Public Utility District No. 2 of Grant County, Washington (“Grant PUD”) and <TRANSMISSION CUSTOMER> (“Transmission Customer”), which hereinafter may be referred to individually as “Party” or collectively as “Parties”.

RECITALS

WHEREAS, Grant PUD provides Network Integration Transmission Service over its Transmission System under Grant PUD’s Open Access Transmission Tariff (“Tariff”); and

WHEREAS, Grant PUD has determined that Transmission Customer has submitted a completed application.

<Additional recitals as necessary to provide background for Service Agreement>

NOW THEREFORE, the Parties agree as follows:

1. Definitions

Unless otherwise defined herein, all capitalized terms shall have their respective meanings as set forth in the Tariff. <Transmission Customer> shall be Transmission Customer as such term is used in the Tariff and Grant PUD shall be Transmission Provider as such term is used in the Tariff.

2. Standard Provisions

2.1 Terms and Conditions and Incorporation of Tariff: The terms and conditions under which Network Integration Transmission Service is offered and accepted are pursuant to this Service Agreement and to the Tariff. The Tariff is hereby incorporated by this reference and made a part of this Service Agreement. Unless otherwise mutually agreed by the Parties, Grant PUD. may change the terms and conditions of the Tariff.

2.2 Incorporation of Exhibits: The following exhibits are incorporated herein and made a part of this Service Agreement: Exhibit 1 (Specifications for Network Integration Transmission Service), Exhibit 2 (Specifications and Charges for Ancillary Services), and Exhibit 3 (Network Operating Agreement).

3. Term and Regulatory Filing

3.1 Effective Date and Filing: This Service Agreement shall be effective on the date executed by both Parties.

3.2 Service Commencement Date: Service under this Service Agreement shall commence on _____.

3.3 Cancellation Rights: If any part of this Service Agreement must be changed as the result of a binding arbitration decision under Section 11 of the Tariff, Transmission Provider shall offer an amended Service Agreement reflecting such changes to Transmission Customer. In the event such amended Service Agreement is not executed by Transmission Customer within 21 days after it is offered by Transmission Provider, this Service Agreement shall be void and have no further force and effect.

3.4 Termination of Agreement: Except as provided in Section 3.3, this Service Agreement shall remain in effect through _____.

4. Network Integration Transmission Service

As of the Service Commencement Date Grant PUD shall provide, and Transmission Customer shall take and pay for Network Integration Transmission Service pursuant to the Tariff. Grant PUD's obligation to provide Network Integration Transmission Service shall be subject to Grant PUD's right to Curtailment or Interruption of schedules pursuant to the Tariff. Exhibit 1 to this Service Agreement, as may be amended, lists Transmission Customer's designated Network Resources and Network Loads.

4.1 Transmission Service: Section 34 of the Tariff and Exhibit 1 describe the applicable rates and charges methodology for Network Integration Transmission Service.

4.2 Direct Assignment Facilities and Low-voltage Substation and Distribution Facilities: Exhibit 1 describes the applicable rates and charges for any Direct Assignment Facilities and for service over any low-voltage substation and distribution facilities.

4.3 Power Factor Penalty Adjustment: Power delivered at each Point of Delivery shall be at a power factor greater than or equal to 0.95, leading or lagging, unless otherwise mutually agreed upon by the Parties. To compensate for deliveries made to a Point of Delivery at a power factor of less than 0.95, leading or lagging, Grant PUD may adjust the billing demand at such Point of Delivery. Grant PUD shall provide one month's notice to Transmission Customer prior to applying for any such adjustment for the first time at a Point of Delivery. Exhibit 1 describes the methodology for a power factor adjustment.

5. Other Services

As of the Service Commencement Date, Grant PUD shall provide, and Transmission Customer shall take and pay for all applicable Ancillary Services. The amounts of such services, specific terms and conditions associated with such services and the charges for such services are listed in Exhibit 2 to this Service Agreement.

6. Construction of Facilities

As of the Service Commencement Date, <no construction/construction> of new or additional Direct Assignment Facilities <and/or> Network Upgrades is required for Network Integration Transmission Service to be provided pursuant to this Service Agreement. Such facilities, if any, shall be specified in Exhibit 1 or in a separate facilities construction agreement between the Parties.

7. Billing and Payment

Billing and payment for all services provided under this Service Agreement shall be pursuant to Section 7 of the Tariff. Bills sent to Transmission Customer shall be sent to:

Attention: <>

<>

<>

<>

All payments to Grant PUD shall be submitted via electronic funds transfer to the account specified on each billing invoice.

8. If Transmission Customer does not own, control, or operate transmission facilities, Transmission Customer shall not use this Service Agreement to assist an Eligible Customer to avoid the reciprocity requirements of Section 6 of the Tariff.

9. Miscellaneous Provisions

- 9.1 Interconnection with Other Systems: Nothing contained in this Service Agreement shall restrict or limit either Party from establishing, altering or terminating interconnection points with any entity not a party to this Service Agreement or amending or entering into such agreements.
- 9.2 Future Changes or Additions: Future changes or additions that increase Grant PUD's Transmission System capability shall not obligate Grant PUD to provide any transmission or other services in addition to those services provided under this Service Agreement, except by separate Application pursuant to Section 31.2 of the Tariff or pursuant to Grant PUD's responsibilities under Section 28.2 of the Tariff.
- 9.3 Waivers: Any waiver at any time by either Party hereto of its rights with respect to the other Party or with respect to any matter arising in connection with this Service Agreement shall not be considered a waiver with respect to any other default of the same or any other matter.
- 9.4 Effect of Section Headings: Section headings appearing in this Service Agreement are inserted for convenience of reference only and shall not be construed to be interpretations of the text of this Service Agreement.
- 9.5 Assignment: Grant PUD may assign this Service Agreement only upon the prior written consent of Transmission Customer, provided, however, that Transmission Customer hereby consents to assignment of this Service Agreement to a successor where such successor acquires all or substantially all of Grant PUD's electric transmission assets. Transmission Customer may request an assignment of this Service Agreement. This assignment shall include all rights and post-assignment obligations associated with this Service Agreement. Such assignment shall require mutual agreement by Grant PUD and Transmission Customer, provided that Grant PUD shall not unreasonably withhold such agreement. When notice of such assignment is provided to Grant PUD, the Parties shall work in good faith to make any necessary modifications to this Service Agreement and the Network Operating Agreement, implement metering modifications, ensure compliance with the Tariff, and make any other adjustments necessary to allow such assignment to proceed. If Grant PUD withholds agreement to such assignment, Grant PUD shall

provide a detailed written explanation as to why it is withholding agreement and shall include a detailed list of remedies that would allow Grant PUD to agree to such assignment. A Party requesting assignment shall provide at least six months' prior notice to the other Party. Subject to the foregoing restrictions on assignment, this Service Agreement shall be binding upon, inure to the benefit of and be enforceable by the Parties and their successors and assigns.

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

Transmission Provider	Transmission Customer
Public Utility District No. 2 of Grant County, Washington Attn: Senior Manager Transmission Business Services PO Box 878 Ephrata, WA 98823 TransmissionServices@gcpud.org	

- 9.7 Notices of an Operating Nature: Any notice or request pertaining to matters of an operating or maintenance nature, or of a routine character pertaining to delivery or receipt of power, shall be given in such manner as the Parties from time to time shall arrange.

IN WITNESS WHEREOF, the Parties hereto have caused this Service Agreement to be executed in their respective names by their duly authorized representatives as of the dates noted below.

Public Utility District No. 2
of Grant County, Washington

Transmission Customer

By: _____

By: _____

Name: _____

Name: _____

Title: _____

Title: _____

Date: _____

Date: _____

EXHIBIT 1 SPECIFICATIONS FOR NETWORK INTEGRATION TRANSMISSION SERVICE

Designated Network Resources

Designated Network Loads

Monthly Transmission Charge

(Pursuant to Section 34 of the Tariff)

[Applicable to new Network Customers only]

For the first twelve months of service under this Service Agreement commencing with the Service Commencement date specified in Section 3.2, Transmission Customer's Load Ratio Share will be determined based on Transmission Customer's average Load Ratio Share in the months during which Transmission Customer has taken service. After the first twelve months of service, the Load Ratio Share will be calculated on a rolling twelve-month average basis.

Monthly Charges for Direct Assignment and Low Voltage Facilities

Power Factor Penalty Adjustment

Subject to the one-month notice provision contained in Section 4.3, in Grant PUD's determination of Transmission Customer's Monthly Transmission Charge and Monthly Charges for Direct Assignment and Low Voltage Facilities, Grant PUD may adjust the monthly billing demand applicable to a Point of Delivery with a power factor of less than 0.95, leading or lagging. Such adjustment shall be made by multiplying the monthly demand by 0.95 and dividing the result by the monthly average power factor at such Point of Delivery.

Losses

Real power losses based on the delivery voltage or voltages will be charged pursuant to Section 28.5 of the Tariff.

Metering

EXHIBIT 2 SPECIFICATIONS AND CHARGES FOR ANCILLARY SERVICES

Scheduling, System Control and Dispatch Service

(Pursuant to Schedule 1 of the Tariff)

Reactive Supply and Voltage Control from Generation or Other Sources Service

(Pursuant to Schedule 2 of the Tariff)

Regulation and Frequency Response Service

(Pursuant to Schedule 3 of the Tariff)

<Method of establishing billing determinants shall be specified >

Energy Imbalance Service

(Pursuant to Schedule 4 of the Tariff, as applicable)

Operating Reserve - Spinning Reserve Service

(Pursuant to Schedule 5 of the Tariff)

<Any exceptions or special conditions shall be specified>

Operating Reserve - Supplemental Reserve Service

(Pursuant to Schedule 6 of the Tariff)

<Any exceptions or special conditions shall be specified >

Generator Imbalance Service

(Pursuant to Schedule 9 of the Tariff, as applicable)

Other Applicable Services

ATTACHMENT G - Network Operating Agreement

This document is intended to provide basic contract provisions for a Network Operating Agreement under the Tariff and therefore may not contain all provisions which may be necessary in specific instances. Other provisions may be addressed in the specific agreements for each Transmission Customer taking Network Integration Transmission Service.

This NETWORK OPERATING AGREEMENT ("Agreement") is attached to the Network Integration Transmission Service Agreement ("Service Agreement") between Public Utility District No. 2 of Grant County, Washington ("Grant PUD") and <Transmission Customer> ("Transmission Customer"), each hereinafter sometimes referred to individually as "Party" or both referred to collectively as the "Parties," and incorporated herein.

1. Purpose of Network Operating Agreement

The purpose of this Agreement is to provide for terms and conditions associated with technical and operational issues necessary for the implementation of Network Integration Transmission Service under the Tariff. The Parties shall adhere to Good Utility Practice, including all applicable NERC, WECC and WPP reliability criteria, subject to the Agreement Limiting Liability Among Western Interconnected Systems, so long as both Grant PUD and Transmission Customer are parties to such agreement.

2. Definitions

Unless otherwise defined herein, all capitalized terms shall have their respective meanings as set forth in the Tariff.

2.1 Deviation Band 1: The first band for Generator Imbalance Service per Schedule 9.

2.2 Energy Imbalance: An amount of energy determined to be an imbalance per Schedule 9.

2.3 Facility Connection Requirements: The Grant PUD Interconnection Technical Requirements, or its successor document.

3. Term

This Agreement shall become effective and remain effective concurrent with the term of the Service Agreement.

4. Network Operating Committee

4.1 Membership – The Network Operating Committee shall be composed of representatives from Grant PUD, Transmission Customer, other Network Customers of Grant PUD and Transmission Customer's wholesale utility customers that receive energy delivered under a Grant PUD Network Integration Transmission Service Agreement.

4.2 Responsibilities – The Network Operating Committee shall meet at least once per year to: (i) adopt rules and procedures consistent with this Agreement and the Tariff governing operating and technical requirements necessary for implementing Network Integration Transmission Service under the Tariff; (ii) review Network Resources and Network Loads on an annual basis in order to assess the adequacy of the Transmission System, and (iii) obtain from Grant PUD its operating policies, procedures, and guidelines for network interconnection and operation.

- 4.3 General Customer Information Requirement – Transmission Customer shall, when requested by Grant PUD, provide load forecasts, generation forecasts, schedules and any other information necessary for Grant PUD’s calculation of available transmission capability on Grant PUD’s Transmission System and for Grant PUD’s implementation of Curtailment, load shedding and congestion management procedures.
- 4.4 Designation of Transmission Customer Representatives to the Network Operating Committee - Transmission Customer will communicate to Grant PUD the name and contact information of the representatives for Transmission Customer to the Network Operating Committee. Transmission Customer may designate a primary and alternative representative and may change the designations at any time by subsequent communication.

5. Interconnection Principles and Requirements

This section needs to be completed based on the existence of an applicable Interconnection Agreement

[Grant PUD and Transmission Customer are parties to the Interconnection and Operating Agreement (<reference contract number>) (“Interconnection Agreement”) providing for, among other things, the ownership, operation and maintenance of the Parties’ interconnected electric facilities. Principles and requirements associated with the interconnection of the Parties’ electric facilities shall be pursuant to the Interconnection Agreement or its successor. If at any time Grant PUD and Transmission Customer shall fail to be parties to the Interconnection Agreement or its successor, Grant PUD may amend this Agreement to provide for the ownership, operation and maintenance of the Parties’ interconnected electric facilities.]

[Information regarding the ownership, operation and maintenance of the Parties interconnected electric facilities are specified in Attachment A to this Agreement.]

6. Interconnection of Network Resources

- 6.1 Interconnection with Grant PUD’s Transmission System – Terms and conditions for the connection of a Network Resource to Grant PUD’s Transmission System shall be pursuant to the applicable Large Generator Interconnection Procedures and/or Small Generator Interconnection Procedures under the Tariff, as applicable.
- 6.2 Interconnection with non-Grant PUD Facilities within Grant PUD Balancing Authority Area – Unless otherwise agreed upon with a third party, Transmission Customer shall be responsible for all costs associated with the connection of any generation resource, to be designated a Network Resource under the Service Agreement, to non-Grant PUD facilities within Grant PUD’s Balancing Authority Area and/or operated in parallel with Grant PUD’s electric system. Such costs shall include, but not be limited to, those costs associated with system protection requirements and revisions. All such interconnections shall be pursuant to Grant PUD’s Facility Connection Requirements as set forth under NERC Standard FAC-001 and any other applicable NERC, WECC and WPP standards or criteria and Good Utility Practice. All Network Resources shall be operated to avoid disturbances or interference with the safe and reliable operation of the Transmission System and shall be operated and maintained in accordance with NERC, WECC and WPP standards and criteria and Good Utility Practice.

7. Curtailment of Network Resources

Curtailment of Network Resources Pursuant to Section 33 of the Tariff – Consistent with Section 33 of the Tariff, Grant PUD may direct specific operation of a Network Resource, including Curtailment, without prior notice to respond to an emergency or other unforeseen condition which may impair or degrade the reliability of the Transmission System. Grant PUD may direct specific operation of a Network Resource, including Curtailment, on a planned basis with prior notice to facilitate maintenance on the Transmission System or to respond to a condition which may impair or degrade the reliability of the Transmission System.

Curtailment of Contract Resources –Pursuant to Section 33 of the Tariff, Grant PUD may require the Curtailment of scheduled deliveries from contract Network Resources at a specified Point of Receipt. In the event of such Curtailment Grant PUD shall, pursuant to Good Utility Practice and on a comparable basis with service to all other affected Network Customers and Grant PUD's bundled retail Native Load Customers, accept scheduled deliveries up to an amount equal to the Curtailment at any other available Point of Receipt on Grant PUD's system. Any Energy Imbalances outside Deviation Band 1 that are incurred for the hour in which any such Curtailment is implemented shall be settled as if such Energy Imbalances are within Deviation Band 1. If no alternative Point of Receipt is available to Transmission Customer for the following hour or hours during such Curtailment, any resulting Energy Imbalances shall continue to be settled as if they are within Deviation Band 1.

8. Scheduling

8.1 Scheduling and Schedule Revisions – Schedules for Transmission Customer's designated Network Resources shall be submitted by Transmission Customer to Grant PUD on the Preschedule Day applicable to such service and no later than the earlier of 10:00 a.m. or such other reasonable time that is generally accepted within the region and consistently adhered to by Grant PUD. Schedules shall be stated in increments of one megawatt per hour. Electronic tag or schedule revisions for Network Integration Transmission Service will be permitted up to twenty (20) minutes prior to the start of the hour in which such scheduled power flows, *provided, however, that:*

- (a) Transmission Customer shall submit schedule or tag revisions during the normal schedule revision period ending eighty (80) minutes prior to the start of the hour in which such scheduled power flows. For example, for the flow hour beginning at 1000 hours and ending at 1100 hours, Transmission Customer shall submit any revision to an electronic tag or schedule for such hour prior to 0840 hours. Transmission Customer may further revise such electronic tag or schedule prior to 0940 hours.
- (b) Transmission Customer shall make best efforts to ensure that its 80-minutes prior schedule revision is as accurate as possible and that any 20-minutes prior schedule revision is minimized. In determining its 80-minutes prior schedule revision, Transmission Customer shall incorporate the same load forecasting tools, including, but not limited to, assumptions, measurements, algorithms and calculations, that it uses in determining any 20-minutes prior schedule revision. Transmission Customer shall not place any bounds or restrictions on its determination of its 80-minutes prior schedule revision that will limit the accuracy or otherwise restrict its 80-minutes prior schedule revision for a given hour with respect to any such determination of its 20-minutes prior schedule revision for such hour.
- (c) If at any such time Grant PUD determines that Transmission Customer's 20-minutes prior schedule revisions are too large, Grant PUD may request that the Parties meet to address

the issue. In such event, Grant PUD shall document and justify its concerns, and the Parties shall work in good faith to address the issue.

- 8.2 Scheduling of Network Resources – Transmission Customer’s designated Network Resources under the Service Agreement amount to the purchase of system power by contract. At such time as Transmission Customer intends to designate a specific generation resource connected to Grant PUD’s Transmission System or to a third-party system as a Network Resource, the Parties shall develop applicable terms and conditions regarding the scheduling of such resource and amend this Agreement accordingly. Transmission Customer will supply a minimum of nine (9) months’ notice to facilitate the addition of a Network Resource.

Parties shall specify specific scheduling requirements based on type of resource (identified resource vs system power), resource location (on or off Grant PUD’s or Transmission Customer’s system), and scheduling type (standard, dynamic, or pseudo-tie). Transmission Customer will supply a minimum of nine (9) months’ notice if Transmission Customer plans to use a dynamic schedule or a pseudo-tie. Grant PUD may require compliance with reasonable standards for all schedules.

- 8.3 Sharing of Aggregate Schedule Information – For purposes of reliable and economic operation of Grant PUD’s Balancing Authority Area, Transmission Customer consents to Grant PUD’s transmission function passing on an aggregated sum of Transmission Customer’s schedules associated with all of its borderline wheeling loads to Grant PUD’s load-serving entity and Balancing Authority function.

9. Metering and Communications

- 9.1 Meters and Meter Reading – Grant PUD and/or Transmission Customer shall own and maintain all meters used to determine any billing associated with the Service Agreement. As of the Effective Date, meters at the Points of Delivery are provided by

<Grant PUD/Transmission Customer>. Meters at the Point(s) of Delivery shall be read pursuant to the Meter Reading and Meter Test Procedures outlined in Section 9.4.

Exchange of Metering Data – The Party owning, operating and maintaining each meter used to determine billing associated with the Service Agreement shall provide to the other Party all hourly meter readings and any more frequent readings, if existing, from each such meter. All meter reading information for a given month shall be validated and made available to Grant PUD in the succeeding month by 10:00 a.m. of the fifth (5th) Business Day of such succeeding month. All meter reading records and scheduled amounts shall be exchanged electronically between the Parties on a monthly basis. Either Party shall notify the other as soon as practicable in the event of system configuration changes or other events which may affect meter readings or access to meter reading information including, but not limited to, advance notice of planned line and substation outages and planned communications outages.

- 9.2 Use of <Grant PUD/Transmission Customer>’s Meter Reading Information –<The Parties shall specify terms and conditions regarding the sharing of such data>.
- 9.3 Tests of Metering Installations – Each Party shall, at its expense, test its measuring installations associated with this Agreement and the Service Agreement in accordance with the Meter Reading and Meter Test Procedures outlined in Section 9.4, attached hereto. The Parties may mutually agree to use a single set of meters. In the event that a single set of meters is utilized,

tests of such meters shall be conducted jointly by the Parties in accordance with Section 9.4 and shall be witnessed and agreed to by representatives of each Party.

9.4 Meter Reading and Meter Test Procedures

- (a) Meter Readings – Meter readings associated with the delivery of electric power to the Point(s) of Delivery shall be the responsibility of the Party owning such meters. Electric power deliveries in any month shall be calculated on information based on meter readings, with any necessary date adjustments made by pro-rating metered amounts to the number of days in such month. In the event a recording metering device is installed, actual hourly and monthly energy deliveries shall be determined from the record developed. Each Party shall permit representatives of the other Party to inspect all the records relating to the delivery or transmission of electric power under the Service Agreement.
- (b) Meter Testing – Grant PUD and/or Transmission Customer shall own and maintain all meters used to determine any billing under the Service Agreement.
 - (i) Grant PUD meters shall be tested and inspected in accordance with Grant PUD's meter testing practices. If requested by Transmission Customer, Grant PUD shall provide copies of applicable test and calibration records and calculations. Grant PUD shall permit representatives of Transmission Customer, and/or Transmission Customer's wholesale utility customer to be present at all times the meters are being tested. Additionally, Grant PUD shall test any or all such meters as may reasonably be requested by Transmission Customer. Reasonable costs for such requested test shall be paid by Transmission Customer unless any of the meters are found to be inaccurate, as determined by Grant PUD consistent with its practices, in which case Grant PUD shall pay for the test.
 - (ii) Transmission Customer's meters shall be tested and inspected in accordance with Transmission Customer's meter testing program ("Transmission Customer Program"). If requested by Grant PUD, Transmission Customer shall provide copies of applicable test and calibration records and calculations. Transmission Customer shall permit a representative of Grant PUD to be present at all times the meters are being tested. Additionally, Transmission Customer shall test any or all such meters as may reasonably be requested by Grant PUD. Reasonable costs for such requested test shall be paid by Grant PUD unless any of the meters are found to be inaccurate, as defined in Transmission Customer Program, in which case Transmission Customer shall pay for the test.
 - (iii) Each Party shall give reasonable notice of the time when any such test or inspection is to be made to the other Party who may have representatives present at such tests or inspections. Any component of such installations found to be defective or inaccurate shall be adjusted, repaired or replaced by the owner of the meter to provide accurate metering.
- (c) Adjustments – If any meter fails to register, or if the measurement made by such meter during a test made as provided below fails to meet the standards of such test, or if an error in meter reading occurs, adjustment shall be made correcting all measurements for the actual period during which such inaccurate measurements were made. Should any metering equipment at any time fail to register, or should registration thereof be so erratic as to be meaningless, the capacity, energy and reactive power delivered shall be

determined from the best available data. If an estimate is required due to metering equipment malfunction, the method of estimating capacity, energy and reactive power delivered shall be made available and agreed upon by both Parties. The approval process shall not delay billings. Such corrected measurements shall be used to re-calculate billed amounts under the Service Agreement.

- 9.5 Metering and Communications Required for Integration of Network Resources –Transmission Customer shall be directly responsible for all costs associated with the installation, operation and maintenance of any metering, communications and supervisory control and data acquisition (SCADA) equipment necessary for the integration of any Network Resource under the Service Agreement and connected to Grant PUD’s Transmission System or within Grant PUD’s Balancing Authority Area. Grant PUD may, in its sole discretion, agree that Transmission Customer may assign responsibility for such costs to a third party. All such installations shall be pursuant to Grant PUD’s Facility Connection Requirements as set forth under NERC Standard FAC-001 and any other applicable NERC, WECC and WPP standards or criteria and Good Utility Practice.

Metering and Communications Required for Ancillary Services –Transmission Customer shall be responsible for all costs associated with the installation, operation, and maintenance of any metering, communications and SCADA equipment necessary for the provision of Ancillary Services by Transmission Customer or by a third party. Grant PUD may, in its sole discretion, agree that Transmission Customer may assign responsibility for such costs to a third party. All such installations shall be pursuant to Grant PUD’s Facility Connection Requirements as set forth under NERC Standard FAC-001 and any other applicable NERC, WECC and WPP standards or criteria and Good Utility Practice.

- 9.6 Installation and Use of Grant PUD Meters – Notwithstanding any other provision in this Section 9, Grant PUD may at any time install meters or metering equipment to make any measurements for any Point of Delivery required for any computation or determination mentioned in this Agreement or the Service Agreement. If such meters or metering equipment are so installed, such measurements shall be used thereafter in such computation or determination.

- 9.7 Real-Time Data Acquisition – For the purpose of enabling Grant PUD to monitor the loads on its transmission system, Grant PUD may require the acquisition of real-time load data (megawatts and megavars) at Points of Delivery that have meters and metering equipment owned by Transmission Customer. The Parties shall facilitate such data acquisition pursuant to Good Utility Practice and Transmission Customer shall provide either of the following to Grant PUD:

- (a) Megawatt and megavar indications from Transmission Customer’s SCADA system, if existing, in a format agreed upon by the Parties, or
- (b) The following:
 - (i) Metering current transformers (“CTs”) and potential transformers (“PTs”),
 - (ii) Space in Transmission Customer’s substation control house or cabinet for a Grant PUD remote terminal unit or such other equipment that performs a comparable function (“Grant PUD Equipment”), to be supplied by Grant PUD and installed by _____,
 - (iii) Voltage and current indications from Transmission Customer’s CTs and PTs to the Grant PUD Equipment, and

- (iv) Space for any conduit needed by Grant PUD for its communications out of the substation.

10. Operation and Maintenance

10.1 Maintenance Scheduling and Continuity of Service – Grant PUD may Curtail or otherwise temporarily suspend service at the Points of Delivery:

- (a) pursuant to Section 33 of the Tariff; and

without prior notice of such Curtailment or temporary suspension as may be necessary due to Force Majeure pursuant to Section 9 of the Tariff. Consistent with Section 33 of the Tariff, Grant PUD shall use reasonable efforts to repair the cause of any such Curtailment or temporary suspension comparable to such reasonable efforts Grant PUD uses with respect to its Native Load Customers.

10.2 Emergency Planning and Operation – As Transmission Provider, Grant PUD is responsible for planning, coordinating and implementing emergency operation schemes applicable to Grant PUD's Transmission System. Examples of such schemes include WPP programs related to underfrequency load shedding, undervoltage load shedding and system restoration. Other schemes may be developed to meet NERC, WECC or WPP reliability planning and operations objectives. Transmission Customer shall:

- (a) participate in the development and implementation of such load shedding and other programs to facilitate system reliability and security;
- (b) install and maintain or, in the alternative, require its wholesale utility customer served via the Service Agreement to install and maintain, any required load shedding relays, including underfrequency and undervoltage relays; and
- (c) participate in system restoration planning.

11. Miscellaneous

11.1 Supremacy of Tariff – In the event of any irreconcilable difference between the Tariff and this Agreement, the language of the Tariff shall govern.

11.2 Notices – Any formal notice to be served, given or made in connection with this Agreement shall be in writing and shall be directed as provided in the Service Agreement. Notices of an operating nature shall be given as provided in the Service Agreement.

11.3 Assignment – Any assignment of this Agreement shall be pursuant to the terms of assignment in the Service Agreement.

11.4 Amendment – From time-to-time Grant PUD may amend this Agreement. Grant PUD shall provide reasonable prior notice of any such amendment to Transmission Customer and the Parties shall work in good faith to reach consensus on the content of such amendment. Any such amendment shall become effective upon approval by the Grant PUD Commission. Any amendment will have only prospective effects.

**ATTACHMENT H - Annual Transmission Revenue Requirement for Network Integration
Transmission Service**

1. The Annual Transmission Revenue Requirement for purposes of the Network Integration Transmission Service shall be \$21,487,908.00.
2. The amount in (1) shall be effective until amended by Transmission Provider or modified by the Commission.

ATTACHMENT I - Index of Network Integration Transmission Service Customers

A list of Network Integration Transmission Service customers and Service Agreements can be found on Transmission Provider's OASIS.

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ATTACHMENT J - Procedures for Addressing Parallel Flows

The North American Electric Reliability Corporation's ("NERC") Qualified Path Unscheduled Flow Relief for the Western Electricity Coordinating Council (WECC), Reliability Standard [IRO-006-WECC-3](#) and any amendments thereto, are hereby incorporated and made part of this Tariff. See www.nerc.com for the current version of the NERC's Qualified Path Unscheduled Flow Relief Procedures for WECC

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ATTACHMENT K - Transmission Planning Process

Section 1. Definitions

The following terms have the following definitions when used in this Attachment K. Other initially capitalized terms used in this Attachment K shall have the meanings set forth in the Tariff.

Confidential Information means all information, regardless of the manner in which it is furnished, marked as “Confidential Information” at the time of its furnishing; *provided that* Confidential Information shall not include information: (i) in the public domain or generally available or known to the public; (ii) disclosed to a recipient by a Person who had a legal right to do so; (iii) independently developed by the receiving party or known to such party prior to its disclosure to Transmission Provider in connection with its local transmission planning process, or to NorthernGrid in connection with the regional transmission planning process; (iv) normally disclosed by entities in the Western Interconnection without limitation; (v) disclosed in aggregate form where specific identifying information is unidentifiable; or (vi) required to be disclosed by subpoena, law, or other directive of a court, administrative agency, or arbitration panel.

Critical Energy Infrastructure Information or **CEII** means information as defined in 18 C.F.R. § 388.113(c), as may be amended from time to time.

Grant PUD Plan means Transmission Provider’s plan that identifies planned new transmission facilities and facility replacements or upgrades for the Transmission System.

Material Adverse Impact means one or more significant and verifiable adverse impacts on any electrically interconnected transmission system that needs to be mitigated if it reduces the transfer capability of existing transmission facilities.

NorthernGrid means the association described in Part C of this Attachment K.

Person means an individual, corporation, cooperative corporation, municipal corporation, quasi-municipal corporation, joint operating entity, limited liability company, mutual association, partnership, limited partnership, limited liability partnership, association, joint stock company, trust, unincorporated organization, government entity or political subdivision thereof (including a federal power marketing administration), tribes, or organization recognized as a legal entity by law in the United States or Canada.

Planning Cycle means each two-year period beginning on January 1 of even numbered years and ending on December 31 of odd numbered years, undertaken by NorthernGrid, to create a regional transmission plan.

Public Policy Requirement means any applicable requirement established through one or more enacted statutes or regulations promulgated by a local, state, or federal governmental authority.

WECC means the Western Electricity Coordinating Council or any successor entity.

Western Interconnection refers to the western interconnected electric grid in North America. It spans 14 western states in the United States, the Canadian provinces of British Columbia and Alberta, and the northern portion of Baja California in Mexico.

Section 2. Local Transmission Planning Process

2.1 Development and Update of Grant PUD Plan

Transmission Provider shall prepare one local transmission plan—the Grant PUD Plan—during each two-year study cycle. Transmission Provider shall prepare the Grant PUD Plan in year one and provide any necessary updates to the Grant PUD Plan in year two. The Grant PUD Plan will identify transmission needs over the ensuing ten-year planning horizon and potential solutions to those needs.

2.2 Grant PUD Plan Availability

The main body of the Grant PUD Plan will be made publicly available and posted on Transmission Provider's public website. However, Critical Energy Infrastructure Information (CEII) may be included in an appendix to the Grant PUD Plan, and disclosure of any such CEII by Transmission Provider shall be subject to the provisions in Attachment K Section 2.8 "Confidential Information and CEII".

2.3 Integrated Resource Planning

The Transmission Provider's state planning group is to take the Grant PUD Plan into consideration, to the extent required by state law, when preparing its next state-required integrated resource plan and, as appropriate, when preparing studies.

2.4 Reliability Studies

Transmission Provider will perform or cause to be performed reliability studies with respect to the Transmission System to assess whether applicable North American Electric Reliability Corporation, WECC, and local reliability standards are met for the ten-year planning horizon.

2.5 Planning Study Methodology

The Grant PUD Plan will be based on seasonal reliability studies that include load flow, short circuit, and stability analyses. The primary data source for the analyses will be WECC base case data. Base case software analysis will be performed using software commonly accepted in the industry.

2.5.1 Identification of Needs

The factors considered when selecting local transmission needs (including those driven by Public Policy Requirements) for analysis in developing the Grant PUD Plan shall include the following:

- a. the level and form of support for addressing the potential local transmission need (such as indications of willingness to purchase capacity and existing transmission service requests that could use capacity consistent with solutions that would address the potential local transmission need);
- b. the feasibility of addressing the potential local transmission need;
- c. the extent, if any, that addressing the potential local transmission need would also address other potential transmission needs; and,
- d. the factual basis supporting the potential local transmission need.

No single factor shall necessarily be determinative in selecting any potential local transmission need for analysis in developing the Grant PUD Plan.

2.5.2 Identification of Solutions

Transmission Provider will identify solutions to the local transmission needs. The factors considered when selecting solutions to the local transmission needs in the Grant PUD Plan shall include the following:

- a. sponsorship and degree of development of proposed solution;
- b. feasibility;
- c. coordination with any affected transmission system;
- d. economics;
- e. effectiveness of performance of wired, non-wired and/or a combination of wired and non-wired solutions;
- f. satisfaction of identified local transmission needs, including those driven by Public Policy Requirements and including the extent to which the proposed solution satisfies multiple identified local transmission needs;
- g. mitigation of any Material Adverse Impacts on any transmission system;
- h. consistency with applicable state, regional, and federal planning requirements and regulations; and,
- i. consistency with such additional criteria as are then accepted or developed by Transmission Provider.

No single factor shall necessarily be determinative in evaluating proposed solutions in developing the Grant PUD Plan.

Additional information regarding Transmission Provider's planning study methodology and guidelines will be posted from time-to-time on its public website.

2.6 Formatting of Grant PUD Plan; Contact Person

- a. The Grant PUD Plan shall be written, as feasible, in a non-technical manner. Technical studies may be included in the appendices of the Grant PUD Plan to support the findings of the local planning process, subject to CEII restrictions.
- b. The Grant PUD Plan shall include a point of contact for the Transmission Provider to answer questions, subject to CEII restrictions, related to modeling criteria, assumptions and the data underlying the results and proposed projects included in the Grant PUD Plan.

2.7 Attachment K Planning Costs

Transmission Provider will not provide reimbursement of any costs incurred by any Persons participating in the planning processes under this Attachment K. Except as may be otherwise provided in this Attachment K, the Transmission Provider's costs associated with the Attachment K processes, including Transmission Provider's share of the NorthernGrid planning costs, will be subject to recovery in Transmission Provider's rates.

2.8 Confidential Information and CEII

2.8.1 WECC Proprietary, Confidential and Sensitive Information

Transmission Provider's transmission planning studies may include base case data that are WECC proprietary data and the sharing of certain WECC data will need to adhere to applicable WECC information sharing policies and/or procedures. A requester must demonstrate to Transmission Provider's satisfaction that it has received written permission from WECC for Transmission Provider to disclose WECC proprietary data, such as base case data, to requester.

2.8.2 RC West Data

Transmission Provider may possess confidential information as defined in the California Independent System Operator Reliability Coordinator Services Agreement as updated from time-to-time (the "RC Agreement"), which is accessible in accordance with the terms of the RC Agreement. A requester must demonstrate to Transmission Provider's satisfaction that it has received written permission from the California Independent System Operator for Transmission Provider to disclose confidential RC Agreement information to requester.

2.8.3 Confidential Data and CEII Data Requests

A requester may request CEII, confidential, or proprietary information using the procedures set forth below. As used in these procedures, CEII has the meaning given to such term in 18 C.F.R. 388.113, as such term may be amended from time to time, and interpreted by Transmission Provider. Confidential and proprietary information are information designated as such by Transmission Provider.

- a. Only an individual may request information. Requests may not be made on behalf of groups, organizations, businesses, or the like.
- b. Requester shall deliver a fully executed Non-Disclosure Agreement ("NDA") to Transmission Provider at the following address:

Grant PUD
Attn: Senior Manager Transmission Business Services
P.O. Box 878
Ephrata, WA 98823

- c. To the fullest extent practicable, requester will provide specific, detailed information in the General Critical Energy Infrastructure Information and Confidential Information Request Form to facilitate Transmission Provider's efficient review of the request. If Transmission Provider accepts requester's application, the General Critical Energy Infrastructure Information and Confidential Information Request Form will become part of requester's NDA pursuant to the terms of the NDA.

- d. As part of the application, requester must show to Transmission Provider's satisfaction and approval that the requester has a legitimate interest in and legitimate need for the requested information from Transmission Provider.
- e. If the request is for materials proprietary to the WECC (such as base case data), NorthernGrid, or any other entity, requester must also attach to the request proof of agreement to any nondisclosure agreements or other agreements required by such entities.
- f. Transmission Provider will make a determination of whether it considers the requested information to be CEII or otherwise confidential and whether to comply with the request or deny the request in whole or in part. Transmission Provider's determination on whether to grant a request is based upon, among other factors Transmission Provider deems relevant at the time of the request, the requester's legitimate need for the information, the extent to which the requester intends to use the information, the requester's technical ability to make use of the information, to whom the requester intends to share the information, and Transmission Provider's belief in the extent to which the requester is willing and capable of complying with the NDA.
- g. Transmission Provider will notify the requester within 20 working days after Transmission Provider's receipt via postal service of the request of its determination. If Transmission Provider determines that the requester is eligible to and should receive the requested information, Transmission Provider will determine what additional conditions beyond the NDA, if any, to place on the release of the information and may forward a supplemental nondisclosure form to the requester for execution.

Section 3. NorthernGrid's Enrolled Region Transmission Planning Process

NorthernGrid is an unincorporated association of entities that either own or operate, or that propose to own or operate, electric transmission facilities in the Western Interconnection. NorthernGrid promotes coordinated, open, and transparent transmission planning. NorthernGrid also facilitates compliance with certain Commission transmission planning directives for the parties enrolled in NorthernGrid's regional transmission planning process. Transmission Provider participates in NorthernGrid's transmission planning processes, including sharing the Grant PUD Plan with NorthernGrid.

NorthernGrid develops a regional transmission plan each Planning Cycle. Each Planning Cycle considers a ten-year planning horizon to commence on the first day of that Planning Cycle. The regional transmission plan is not intended to be a construction plan; however, the regional transmission plan is intended to provide insight and information regarding regional transmission planning.

Transmission Provider is a member of NorthernGrid enrolled in NorthernGrid's regional transmission planning process. Transmission Provider does not participate in NorthernGrid's Enrolled Region or Interregional processes. Descriptions of NorthernGrid's Enrolled Region and Interregional processes can be found on NorthernGrid's website at www.northerngrid.net.

ATTACHMENT L - Creditworthiness Procedures

To determine the ability of Transmission Customer to meet its obligations related to Transmission Service, Transmission Provider will employ the following credit procedures:

1. **Credit Application** – Prior to a Transmission Customer or potential Transmission Customer receiving Transmission Service, the Transmission Customer must submit a credit application in the form of Appendix 1. This credit application, along with other required data described in this Attachment L, will form the basis for determining Transmission Customer’s financial creditworthiness. Transmission Provider will estimate Transmission Customer’s total Transmission Service charges for a three-month period and provide such estimate to Transmission Customer. If Transmission Provider determines that Transmission Customer’s (or its Guarantor’s) financial creditworthiness is sufficient to support it, Transmission Provider will extend unsecured credit to Transmission Customer for up to three months of Transmission Service charges. An acceptable corporate guaranty is an irrevocable and unconditional corporate guaranty obtained from a parent or an affiliate of Transmission Customer (“Guarantor”) guaranteeing the full and prompt payment of all amounts payable by Transmission Customer under the Service Agreements. The Guarantor must meet the same creditworthiness requirements imposed on Transmission Customer in this Attachment L. The corporate guaranty must clearly state (a) the identity of the Guarantor; and (b) the relationship between the Guarantor and Transmission Customer; and must name (c) Transmission Provider as the beneficiary of the guaranty. The corporate guaranty must be duly authorized by the Guarantor, must be signed by an officer of the Guarantor, and must be accompanied by an executed and sealed Secretary’s Certificate stating that the Guarantor is duly authorized to provide such guaranty and the person signing the corporate guaranty is duly authorized. If Transmission Customer’s (or its Guarantor’s) financial creditworthiness is insufficient to support an extension of unsecured credit for the three months of charges, a lesser amount of credit may be extended by Transmission Provider, and Transmission Customer will need to make prepayments, increase settlement frequency, or post-Performance Assurance (as defined in this Attachment L) in form acceptable to Transmission Provider, in order to achieve the same quality of guaranty as the three-month value. If Transmission Provider determines that it is not able to support any extension of unsecured credit, Transmission Provider will require Transmission Customer to provide Performance Assurance equal to three months of Transmission Service charges. Transmission Customer must provide requested Performance Assurance by the later of either (i) the last Business Day before Transmission Service begins or (ii) the fifth Business Day after Transmission Provider requests the Performance Assurance from Transmission Customer.
2. **Other Requirements** – In addition to the credit application, a Transmission Customer must submit both quantitative and qualitative data to support Transmission Provider’s financial creditworthiness analysis. Transmission Customers must provide financial statements as well as any related information that Transmission Provider requests within ten Business Days of such request. The data submitted must demonstrate Transmission Customer’s ability to meet its payment obligations to Transmission Provider (“Obligations”) on an unsecured basis or, prior to receiving or continuing to receive Transmission Service, Transmission Provider will require Transmission Customer to provide Performance Assurance. A Transmission Customer that provides Performance Assurance may still be required to provide financial statements and other information. In determining if unsecured credit will be extended, and in what amount, Transmission Provider will consider rating agency reports; financial conditions as demonstrated by Transmission Customer’s (or its Guarantor’s) financial statements and related information; references; records of litigation; commitments and contingencies; and other quantitative and qualitative information obtained in the creditworthiness due diligence process.

- (a) **Rating Agency Reports** – A Transmission Customer is sufficiently creditworthy to take or continue

taking Transmission Service without furnishing additional Performance Assurance if Transmission Customer's (or its Guarantor's) corporate Senior Unsecured Debt Rating or Long-Term Issuer Credit Rating is a minimum of "BBB-" by Standard and Poor's or Fitch; or if Transmission Customer is rated a minimum "Baa3" by Moody's. If a Transmission Customer's (or its Guarantor's) debt is not rated by any rating agency, Transmission Customer may still be extended unsecured credit following a financial analysis coupled with a satisfactory history of payments to Transmission Provider or another utility, or a demonstrated and consistent record of compliance with the terms of the Service Agreement and the Tariff of Transmission Provider.

- (b) Financial Statements and Related Information – Each Transmission Customer must submit audited or otherwise acceptable financial statements for itself or its Guarantor for at least the immediately preceding three fiscal years, or the period of Transmission Customer's existence, if shorter. Additionally, each Transmission Customer may be asked to submit current fiscal year interim unaudited financial statements for itself or its Guarantor, if available. The information should include the following:
- (i) if publicly traded:
 - 1. Annual and quarterly reports on Form 10-K and Form 10-Q, respectively
 - 2. Form 8-K reports, if any.
 - (ii) if privately held:
 - 1. Management's discussion and analysis
 - 2. Report of independent accountants
 - 3. Audited Financial statements, including:
 - balance sheet
 - income statement
 - statement of cash flows
 - statement of stockholders' equity
 - 4. Notes to financial statements
- (c) References – Each Transmission Customer must provide bank and utility credit references. If Transmission Customer does not have utility references, vendor references may be substituted.
- (d) Litigation, Commitments, and Contingencies – Each Transmission Customer is required to provide information about any known or anticipated material litigation, commitments, or contingencies, as well as any prior bankruptcy declarations or material defalcations by Transmission Customer or its predecessors.
- (e) Ongoing Financial Review – On an ongoing basis, Transmission Customer is required to submit its (or its Guarantor's) current rating agency report and recent financial statements, 10-Ks, 10-Qs, and 8-Ks, promptly upon their issuance. In addition, each Transmission Customer must inform Transmission Provider, in writing, within five Business Days of any material change in its financial condition. A material change in financial condition may include, but is not limited to, the following:
- change in ownership by way of a merger, acquisition, or substantial sale of assets
 - a downgrade of long- or short-term debt rating by a major rating agency;
 - being placed on a credit watch with negative implications by a major rating agency;
 - a bankruptcy filing;
 - any action requiring filing of a Form 8-K;

- a declaration of or acknowledgement of insolvency;
- a report of a significant quarterly loss or decline in earnings;
- the resignation or termination of a key officer;
- the issuance of a regulatory order or the filing of a lawsuit that could materially adversely impact current or future financial results.

A Transmission Customer's failure to provide this information may constitute default under the Service Agreements. If there is a material adverse change in the financial condition of Transmission Customer (or its Guarantor), Transmission Provider may require Transmission Customer to provide additional Performance Assurance. If this additional Performance Assurance is not provided within three Business Days of Transmission Provider's request, Transmission Customer will be in default of its Service Agreement. Upon written request of Transmission Customer, Transmission Provider will provide a written explanation of the reason for any change in the financial creditworthiness or Performance Assurance Requirements.

3. **Performance Assurance** – Transmission Customers that are unable to meet the financial creditworthiness requirements based on Transmission Provider's credit review process, or whose Obligations are greater than the amount of unsecured credit available to them, must provide one of the forms of Performance Assurance that are described below in order to receive or continue receiving Transmission Service. The amount of the Performance Assurance required ("Performance Assurance Requirement") will be based upon Transmission Customers' estimated or established Transmission Service charges for a three-month period. If Transmission Customer's actual transmission charges for any three-month period exceed the estimated transmission charges, the Performance Assurance Requirement will increase to the level of the actual Transmission Service charges. All costs associated with obtaining Performance Assurance are the responsibility of Transmission Customer. Transmission Provider may waive the Performance Assurance requirements to accommodate small or short-term Obligations. Performance Assurance will be returned when Transmission Service has been terminated and all Obligations have been paid in full.

- (a) **Letter of Credit** – An acceptable letter of credit is an unconditional irrevocable standby letter of credit for the full value of the Performance Assurance Requirement. The letter of credit shall provide that it will renew automatically except upon at least 90 days' prior notice from the issuing bank, or such other terms that Transmission Provider may reasonably agree to. The letter of credit must clearly state the full names of the "Issue" and "Account Party;" must name Transmission Provider as the beneficiary; must state the dollar amount available for drawing; and must be unconditional. It must specify that funds will be disbursed upon presentation of the drawing certificate. The draw statements drafted in the letter of credit must be in form acceptable to Transmission Provider. The bank issuing the letter of credit must have a minimum corporate Senior Unsecured Debt Rating or Long Term Issuer Credit rating of "A+" by Standard & Poor's or Fitch or "A1" by Moody's, and be an entity organized under the laws of the United States of America or any state thereof, or a domestic branch of a foreign entity, having capital and surplus of at least one billion dollars (\$1,000,000,000) or assets of at least ten billion dollars (\$10,000,000,000). If the letter of credit amount falls below the Performance Assurance Requirement because of a claim for payment, it must be replenished immediately; otherwise, Transmission Provider may declare Transmission Customer to be in default under one or more of the Agreements.
- (b) **Cash Deposit** – Transmission Customer may provide a cash deposit in an amount equal to the Performance Assurance Requirement. Transmission Customer must have a minimum corporate Senior Unsecured Debt Rating or Long Term Issuer Credit rating of "A+" by Standard & Poor's or Fitch, or "A1" by Moody's to use a cash deposit to meet the Performance Assurance

Requirement. If Transmission Customer has provided a cash deposit and its rating falls below these minimums, Transmission Customer will be required to transition to a letter of credit to meet the Performance Assurance Requirement. The cash deposit will be held in a depository account by Transmission Provider and will not accrue interest. Transmission Provider may apply amounts in the depository account to meet Transmission Customer's Obligations to Transmission Provider. If it is necessary to use all or a portion of the cash deposit to pay Transmission Customer's Obligation, the cash deposit must be replenished to the required level, or initial deposit level, within 30 days; otherwise, Transmission Customer may be in default under one or more of the Service Agreements. Transmission Provider will promptly return the cash deposit after receiving an acceptable letter of credit, or when Transmission Customer no longer has a Performance Assurance Requirement.

4. Credit Limitations

- (a) **Notification** – A Transmission Customer will be notified when its outstanding Obligations to Transmission Provider for Transmission exceed the amount of unsecured credit that Transmission Provider has extended to Transmission Customer.
 - (b) **Suspension** – A Transmission Customer that fails to maintain acceptable Performance Assurance is subject to suspension from scheduling any Transmission Service until such time that Transmission Customer meets the Performance Assurance Requirement. Additionally, Transmission Provider may take such actions as may be required or permitted under the Service Agreements to terminate Transmission Customer's ongoing Transmission Service. Failure to comply with the terms described herein constitutes a default under one or more of the Service Agreements.
 - (c) **Invoices and Payment** – Invoices shall be rendered to each Transmission Customer as provided in the Tariff. Payments to Transmission Provider must be made by the due date per the requirements of Section 7 in the Tariff.
5. **Default** – Failure to comply with the credit requirements or terms of the Service Agreements shall be considered a default by a Transmission Customer under one or more of the applicable Service Agreements.

Appendix 1 to Attachment L
CREDIT APPLICATION FOR TRANSMISSION CUSTOMER

Additional information may be required based on the evaluation of the information below.

Applicant's Full Legal Name:	
Is the Applicant an Established Counterparty with Grant PUD?	☐ Yes ☐ No If Yes, the rest of the application does not need to be completed.
Premise Address and Phone Number:	
Billing Address and Phone Number:	
Business Type:	☐ Proprietorship ☐ Partnership ☐ Corporation ☐ LLC ☐ LLP ☐ Other: _____
D&B No.:	
Principal Business of Firm:	
Year Business Started:	
Is Corporate Stock Publicly Traded?	☐ Yes ☐ No
If Yes, what is the ticker symbol?	
Credit Contact Name, Phone, and Email:	
Senior Unsecured Credit Ratings:	Moody's _____ S&P _____ Fitch _____

Bank References:

	Name	Address	Phone	Credit Limit
1.				
2.				

Utility Trade References:

	Name	Address	Phone	Credit Limit
1.				
2.				
3.				

The undersigned, being authorized and acting on behalf of the Applicant:

1. Hereby authorizes Public Utility District No.2 of Grant County, Washington (Grant PUD) to make such inquiries as necessary to obtain credit information and authorizes our bank(s) of record to release credit information regarding our account(s);
2. Hereby represents and warrants that any and all information, including Financial Statements, now or hereafter supplied by applicant are certified to be true and correct; and
3. Hereby agrees buyer shall make purchases from Grant PUD pursuant to procedures established in Contract(s) with Grant PUD. All purchases shall be subject to acceptance by Grant PUD and shall be governed solely by the terms and conditions of the Contract(s). No additional or different provisions contained in the buyer's purchases orders, other business forms, or correspondence should be of any force whatsoever.

Any changes or modifications to the above terms will result in the rejection of the credit application.

Signature: _____

Print Name: _____

Title: _____

Date: _____

ATTACHMENT M - Transmission Line Ratings

1. **General:** Transmission Provider will implement Transmission Line Ratings on the transmission lines over which it provides Transmission Service. Transmission Line Ratings are determined by equipment manufacturers published ratings in accordance with industry rating practices and industry standards such as IEEE and ANSI.

Transmission Line Ratings shall respect the most limiting applicable Equipment Rating of the individual equipment that comprises that transmission line. Established Equipment Ratings shall be determined based upon manufacturer's published ratings and conform to manufacturer's specified operating limitations. Should operating conditions fall outside of the established limitations, the equipment shall be derated in accordance with applicable good utility practice.

2. **Definitions:**

The following definitions apply for purposes of this Attachment:

Emergency Rating: A Transmission Line Rating that reflects operation for a specified, finite period, rather than reflecting continuous operation. An Emergency Rating may assume an acceptable loss of equipment life or other physical or safety limitations for the equipment involved.

Equipment Rating: The maximum and minimum voltage, current, frequency, real and reactive power flows on individual equipment under steady state, short-circuit, transient, and specified ambient conditions, as permitted or assigned by the equipment owner.

Near-Term Transmission Service: Transmission Service which ends not more than 10 days after the Transmission Service request date. When the description of obligations below refers to either a request for information about the availability of potential Transmission Service, including, but not limited to, a request for Available Transfer Capability (ATC), or to the posting of ATC or other information related to potential service, the date that the information is requested or posted will serve as the Transmission Service request date. "Near-Term Transmission Service" includes any Point-To-Point Transmission Service, Network Resource designations, or secondary service where the start and end date of the designation or request is within the next 10 days.

Seasonal Line Rating: A Transmission Line Rating that:

- (a) Applies to a specified season, where seasons are defined by Transmission Provider to include not fewer than three seasons in each year, and to reasonably reflect portions of the year where expected high temperatures are relatively consistent.
- (b) Reflects an assumed ambient air temperature and other ambient conditions, across the relevant season over which the rating applies.
- (c) Is updated upon recognized changes to equipment and/or assumptions.

Transmission Line Rating: The maximum transfer capability of a transmission line, computed in accordance with a written Transmission System Facility Ratings methodology and consistent with Good Utility Practice, considering the technical limitations on conductors and relevant transmission equipment (such as thermal flow limits), as well as technical limitations of the Transmission System (such as system voltage and stability limits). Relevant transmission equipment may include, but is not

limited to, circuit breakers, conductors, and transformers.

3. **System Reliability:** If Transmission Provider reasonably determines, consistent with Good Utility Practice, that the temporary use of a Transmission Line Rating different than would otherwise be required by this Attachment is necessary to ensure the safety and reliability of the Transmission System, then Transmission Provider may use such an alternate rating. Transmission Provider must document in its database of Transmission Line Ratings and Transmission Line Rating methodologies on OASIS or another password-protected website, as required by this Attachment, the use of an alternate Transmission Line Rating under this paragraph, including the nature of and basis for the alternate rating, the date and time that the alternate rating was initiated, and (if applicable) the date and time that the alternate rating was withdrawn and the standard rating became effective again.
4. **Obligations of Transmission Provider:** Transmission Provider must use Seasonal Line Ratings as the relevant Transmission Line Ratings when evaluating requests for and whether to curtail or interrupt any Transmission Service not otherwise covered above in this section (including, but not limited to, requests for non-Near-Term Transmission Service or requests to designate or change the designation of Network Resources or Network Load), when developing any ATC or other information posted or provided to potential customers related to such services. Transmission Provider must use uniquely determined Emergency Ratings, where applicable, for contingency analysis in the operations horizon and in post-contingency simulations of constraints. In developing assumptions of ambient conditions for Seasonal Line Ratings, Transmission Provider must develop such assumptions consistent with Good Utility Practice and on a non-discriminatory basis.

Postings to OASIS or another password-protected website: Transmission Provider must maintain on the password-protected section of its OASIS page or on another password-protected website a database of Transmission Line Ratings and Transmission Line Rating methodologies. The database must include a full record of all Transmission Line Ratings, both as used in real-time operations, and as used for all future periods for which Transmission Service is offered. Any postings of temporary alternate Transmission Line Ratings or exceptions used under the System Reliability section above or the Exceptions section below, respectively, are considered part of the database. The database must include records of which Transmission Line Ratings and Transmission Line Rating methodologies were in effect at which times over at least the previous five years, including records of which temporary alternate Transmission Line Ratings or exceptions were in effect at which times during the previous five years. Each record in the database must indicate which transmission line the record applies to, and the date and time the record was entered into the database. The database must be maintained such that users can view, download, and query data in standard formats, using standard protocols.

Sharing with transmission providers: Transmission Provider must share, upon request by any transmission provider and in a timely manner, the following information:

1. Transmission Line Ratings for each period for which Transmission Line Ratings are calculated, with updated ratings shared each time Transmission Line Ratings are calculated, and
2. Written Transmission Line Rating methodologies used to calculate the Transmission Line Ratings in item (1) above.

ATTACHMENT N – Standard Large Generator Interconnection Process and Interconnection Agreement

DRAFT



Large Generator Interconnection Procedures (LGIP)

Public Utility District No. 2 of Grant County, Washington

VERSION HISTORY

Revision No.	Date	Description
0	8/8/2024	Initial Effective Date
1	3/12/2026	Added definition of Inverter Based Resource and Permissible Modification. Replaced reference to Grant with “Transmission Provider” Added Section 2.5 regarding Modifications to Existing Generating Facilities. Revised Sections 3.4.2 (vi), 7.5 (b) and 8.1 (3) to remove reference to ‘surety bond’ acceptance. Updated Appendix 1 to include additional data fields for clarity. Revised Appendix 2, Section 7.3 , Appendix 3, Section 6.3, Appendix 4, Section 7.3 and Appendix 7, Section 7.3, Appendix 8, Section 7.3 disclosure obligations per legal. Revised Appendix 5, LGIA to align changes made to LGIP. Revised Appendix 9, Sections 4.5 and 4.6, and Appendix 10, Section 4.5 and 4.6 to reflect interest application in accordance with Grant’s CSP. Revised Section 13.1 Confidentiality language to recognize obligation to comply with RCW 42.56.

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1. Definitions

Affected System - An electric system affected by a proposed interconnection in a different electric system.

Affected System Facilities Construction Agreement - The agreements contained in Appendix 9 and Appendix 10 to this LGIP that are made between Transmission Provider and Affected System Interconnection Customer(s) to facilitate the construction of and to set forth cost responsibility for necessary Affected System Network Upgrades on Transmission Provider's Transmission System.

Affected System Interconnection Customer - Any entity that submits an interconnection request for a generating facility to a transmission system other than Transmission Provider's Transmission System that may cause the need for Affected System Network Upgrades on Transmission Provider's Transmission System.

Affected System Network Upgrades - The additions, modifications, and upgrades to Transmission Provider's Transmission System required to accommodate Affected System Interconnection Customer's proposed interconnection to a transmission system other than Transmission Provider's Transmission System.

Affected System Operator - The entity that operates an Affected System.

Affected System Queue Position - The queue position of an Affected System Interconnection Customer in Transmission Provider's interconnection queue relative to Transmission Provider's Interconnection Customers' Queue Positions.

Affected System Study - The evaluation of Affected System Interconnection Customers' proposed interconnection(s) to a transmission system other than Transmission Provider's Transmission System that have an impact on Transmission Provider's Transmission System, as described in Section 9 of this LGIP.

Affected System Study Agreement - The agreements contained in Appendix 7 and Appendix 8 to this LGIP that are made between Transmission Provider and Affected System Interconnection Customer(s) to conduct an Affected System Study.

Affected System Study Report - The report issued following completion of an Affected System Study pursuant to Section 9.7 of this LGIP.

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

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

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.

Applicable Reliability Standards - The requirements and guidelines of the Electric Reliability Organization and the Balancing Authority Area of the Transmission System to which the Generating Facility is directly interconnected.

Balancing Authority - The responsible entity that integrates resource plans ahead of time, maintains demand and resource balance within a Balancing Authority Area, and supports interconnection frequency in real time.

Balancing Authority Area - The collection of generation, transmission, and loads within the metered boundaries of the Balancing Authority. The Balancing Authority maintains load-resource balance within this area.

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

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

Breaching Party - A Party that is in Breach of the Standard Large Generator Interconnection Agreement.

Business Day - Monday through Friday, excluding Federal Holidays.

Calendar Day - Any day including Saturday, Sunday or a Federal Holiday.

Cluster - A group of one or more Interconnection Requests that are studied together for the purpose of conducting a Cluster Study.

Cluster Request Window - The time period set forth in Section 3.4.1 of this LGIP.

Cluster Restudy - A restudy of a Cluster Study conducted pursuant to Section 7.5 of this LGIP.

Cluster Restudy Report - The report issued following completion of a Cluster Restudy pursuant to Section 7.5 of this LGIP.

Cluster Restudy Report Meeting - The meeting held to discuss the results of a Cluster Restudy pursuant to Section 7.5 of this LGIP.

Cluster Study - The evaluation of one or more Interconnection Requests within a Cluster as described in Section 7 of this LGIP.

Cluster Study Agreement - The agreement contained in Appendix 2 to this LGIP for conducting the Cluster Study.

Cluster Study Process - The following processes, conducted in sequence: the Cluster Request Window; the Customer Engagement Window and Scoping Meetings therein; the Cluster Study; any needed Cluster Restudies; and the Interconnection Facilities Study.

Cluster Study Report - The report issued following completion of a Cluster Study pursuant to Section 7 of this LGIP.

Cluster Study Report Meeting - The meeting held to discuss the results of a Cluster Study pursuant to Section 7 of this LGIP.

Clustering - The process whereby one or more Interconnection Requests are studied together, instead of serially, as described in Section 7 of this LGIP.

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

Commercial Operation Date - 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.

Commercial Readiness Deposit - A deposit paid as set forth in Sections 3.4.2, 7.5, and 8.1 of this LGIP.

Confidential Information - 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.

Customer Engagement Window - The time period set forth in Section 3.4.5 of this LGIP.

Default - The failure of a Breaching Party to cure its Breach in accordance with Section 17 of the Standard Large Generator Interconnection Agreement.

Dispute Resolution - 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 - 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 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.

Electric Reliability Organization - The North American Electric Reliability Corporation (NERC) or its successor organization.

Emergency Condition - 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 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 - An Interconnection Service that allows Interconnection Customer to connect its Generating Facility to Transmission Provider's Transmission System to be eligible to deliver the Generating Facility's electric output using the existing firm or non-firm capacity of 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 - An agreement that authorizes 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 Interconnection Request.

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

Federal Power Act - The Federal Power Act, as amended, 16 U.S.C. §§ 791a et seq.

FERC - The Federal Energy Regulatory Commission (Commission) or its successor.

Force Majeure - Any act of God, labor disturbance, act of the public enemy, war, insurrection, riot, fire, storm or flood, pandemic, epidemic, 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 - Interconnection Customer's device(s) for the production and/or storage for later injection of electricity identified in the Interconnection Request but shall not include Interconnection Customer's Interconnection Facilities.

Generating Facility Capacity - The net capacity of the Generating Facility or the aggregate net capacity of the Generating Facility where it includes more than one device for the production and/or storage for later injection of electricity.

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 Interconnection Customer, Transmission Provider, or any Affiliate thereof.

Hazardous Substances - 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 - The date upon which the Generating Facility is initially synchronized and upon which Trial Operation begins.

In-Service Date - The date upon which Interconnection Customer reasonably expects it will be ready to begin use of Transmission Provider's Interconnection Facilities to obtain back feed power.

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

Interconnection Customer's Interconnection Facilities - 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 Transmission Provider's Transmission System. Interconnection Customer's Interconnection Facilities are sole use facilities.

Interconnection Facilities - Transmission Provider's Interconnection Facilities and 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 Transmission Provider's Transmission System. Interconnection Facilities are sole use facilities and shall not include Distribution Upgrades or Network Upgrades.

Interconnection Facilities Study - A study conducted by Transmission Provider or a third-party consultant for Interconnection Customer to determine a list of facilities (including Transmission Provider's Interconnection Facilities and Network Upgrades as identified in Cluster Study), the cost of those facilities, and the time required to interconnect the Generating Facility with Transmission Provider's Transmission System. The scope of the study is defined in Section 8 of this LGIP.

Interconnection Facilities Study Agreement - The form of agreement contained in Appendix 3 of this LGIP for conducting the Interconnection Facilities Study.

Interconnection Facilities Study Report - The report issued following completion of an Interconnection Facilities Study pursuant to Section 8 of this LGIP.

Interconnection Request - An Interconnection Customer's request, in the form of Appendix 1 to this LGIP, to interconnect a new Generating Facility, or to increase the capacity of, or make a Material Modification to the operating characteristics of, an existing Generating Facility that is interconnected with Transmission Provider's Transmission System.

Interconnection Service - The service provided by Transmission Provider associated with interconnecting Interconnection Customer's Generating Facility to 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, Transmission Provider's Tariff.

Interconnection Study - Any of the following studies: the Cluster Study, the Cluster Restudy, the Surplus Interconnection Service study, the Interconnection Facilities Study, the Affected System Study, the Optional Interconnection Study, and a Material Modification assessment, described in this LGIP.

Inverter Based Resource - A plant/facility consisting of individual devices that are capable of exporting Real Power through a power electronic interface(s) such as an inverter or converter, and that are operated together as a single resource at a common point of interconnection to the electric system. Examples include, but are not limited to, plants/facilities with solar photovoltaic (PV), Type 3 and Type 4 wind, battery energy storage system (BESS), and fuel cell devices.

IRS - The Internal Revenue Service.

Joint Operating Committee - A group made up of representatives from Interconnection Customers and Transmission Provider to coordinate operating and technical considerations of Interconnection Service.

Large Generating Facility - A Generating Facility having a Generating Facility Capacity of more than 20 MW.

LGIA Deposit - The deposit Interconnection Customer submits when returning the executed LGIA.

Loss - 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 - Those modifications that have a material impact on the cost or timing of any Interconnection Request with an equal or later Queue Position.

Metering Equipment - 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.

Multiparty Affected System Facilities Construction Agreement - The agreement contained in Appendix 10 to this LGIP that is made among Transmission Provider and multiple Affected System Interconnection Customers to facilitate the construction of and to set forth cost responsibility for necessary Affected System Network Upgrades on Transmission Provider's Transmission System.

Multiparty Affected System Study Agreement - The agreement contained in Appendix 8 to this LGIP that is made among Transmission Provider and multiple Affected System Interconnection Customers to conduct an Affected System Study pursuant to Section 9 of this LGIP.

Natural and Cultural Resource Review Process (NCRRP) – A project review process conducted by the Transmission Provider, or its designee, to ensure compliance with environmental permitting, land use permitting, and cultural resources.

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

Network Resource Interconnection Service - An Interconnection Service that allows Interconnection Customer to integrate its Large Generating Facility with Transmission Provider's Transmission System (1) in a manner comparable to that in which 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 - The additions, modifications, and upgrades to Transmission Provider's Transmission System required at or beyond the point at which the Interconnection Facilities connect to Transmission Provider's Transmission System to accommodate the interconnection of the Large Generating Facility to the Transmission Provider's Transmission System.

Non-Usage – Non-Usage refers to charges that do not depend on actual generation of the facility. For instance, a firm reservation charge that is paid regardless of whether any generation occurred, is a Non-Usage based charge. Charges that depend on a measurement of energy or demand do not qualify as Non-Usage charges.

Notice of Dispute - 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.

Open Access Same-Time Information System (OASIS) - An electronic posting system that the Transmission Service Provider maintains or subscribes to for the posting of transmission access data and that allows all transmission customers to view the data simultaneously, and/or a webpage or a collection of webpages on which information and links relevant this LGIP are posted.

Optional Interconnection Study - A sensitivity analysis based on assumptions specified by Interconnection Customer in the Optional Interconnection Study Agreement.

Optional Interconnection Study Agreement - The form of agreement contained in Appendix 4 of this LGIP for conducting the Optional Interconnection Study.

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

Permissible Modification – Any modification permitted under Section 2.5 of this LGIP.

Permissible Technological Advancement – Proposed technological change to turbines, inverters, plant supervisory control, or other similar advancements proposed in the Interconnection Request that does not (i) increase the capability of the Generating Facility as specified in the original Interconnection Request, (ii) represent a different fuel type from the original Interconnection Request; or (iii) cause any material adverse impact(s) on the Transmission System with regard to short circuit capability limits, steady-state thermal and voltage limits, or dynamic system stability and response.

Point of Change of Ownership - The point, as set forth in Appendix A to the Standard Large Generator Interconnection Agreement, where Interconnection Customer's Interconnection Facilities connect to Transmission Provider's Interconnection Facilities.

Point of Interconnection - The point, as set forth in Appendix A to the Standard Large Generator Interconnection Agreement, where the Interconnection Facilities connect to Transmission Provider's Transmission System.

Predicate Facilities - Those unbuilt Interconnection Facilities and Network Upgrades upon which the Interconnection Request's costs, timing, and study findings are dependent, and if delayed or not built, could cause a need for restudies of the Interconnection Request or a reassessment of the Interconnection Facilities and/or Network Upgrades and/or costs and timing.

Proportional Impact Method - A technical analysis conducted by Transmission Provider to determine the degree to which each Generating Facility in the Cluster Study contributes to the need for a specific System Network Upgrade.

Regulatory Limitations - A federal, state, Tribal, or local law that makes it practically infeasible to obtain site control within the time frame detailed in the pro forma LGIP. Failure to obtain a permit to construct a Generating Facility is not in itself a Regulatory Limitation.

Qualified Change – Any change that (i) increases the capability of the Generating Facility as specified in the original Interconnection Request, (ii) represents a different fuel type from the original Interconnection Request; or (iii) causes any material adverse impact(s) on the Transmission System with regard to short circuit capability limits, steady-state thermal and voltage limits, or dynamic system stability and response.

Qualified Small Generating Facility - A Small Generating Facility that has a Generating Facility Capacity of at least 10 kW that does not meet the criteria for the Fast Track Process as described in Transmission Provider's SGIP.

Queue Position - The order of a valid Interconnection Request, relative to all other pending valid Interconnection Requests, established pursuant to Section 4.1 of this LGIP.

Reasonable Efforts - With respect to an action required to be attempted or taken by a Party under the Standard Large Generator Interconnection Agreement or this LGIP, 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 - The meeting between representatives of Interconnection Customer(s) and Transmission Provider conducted for the purpose of discussing the proposed Interconnection Request and any alternative interconnection options, exchanging information including any transmission data and earlier study evaluations that would be reasonably expected to impact such interconnection options, refining information and models provided by Interconnection Customer(s), discussing the Cluster Study materials posted to OASIS pursuant to Section 3.5 of this LGIP, and analyzing such information.

Site Control - The exclusive land right to develop, construct, operate, and maintain the Generating Facility over the term of expected operation of the Generating Facility. Site Control may be demonstrated by documentation establishing: (1) ownership of, a leasehold interest in, or a right to develop a site of sufficient size to construct and operate the Generating Facility; (2) an option to purchase or acquire a leasehold site of sufficient size to construct and operate the Generating Facility; or 3) any other documentation that clearly demonstrates the right of Interconnection Customer to exclusively occupy a site of sufficient size to construct and operate the Generating Facility. Transmission Provider will maintain acreage requirements for selected Generating Facility types on its OASIS or public website.

Small Generating Facility - A Generating Facility that has a Generating Facility Capacity of no more than 20 MW.

Small Generator Interconnection Agreement (SGIA) - The form of interconnection agreement applicable to an Interconnection Request pertaining to a Small Generating Facility.

Small Generator Interconnection Procedures (SGIP) - The interconnection procedures applicable to an Interconnection Request pertaining to a Small Generating Facility.

Standard Large Generator Interconnection Agreement (LGIA) - The form of interconnection agreement applicable to an Interconnection Request pertaining to a Large Generating Facility.

Standard Large Generator Interconnection Procedures (LGIP) - The interconnection procedures applicable to an Interconnection Request pertaining to a Large Generating Facility and a Qualified Small Generating Facility as specified in Transmission Provider's SGIP.

Substation Network Upgrades - Network Upgrades that are required at the substation located at the Point of Interconnection.

Surplus Interconnection Service - Any unneeded portion of Interconnection Service established in a Standard Large Generator Interconnection Agreement, such that if Surplus Interconnection Service is utilized, the total amount of Interconnection Service at the Point of Interconnection would remain the same.

System Network Upgrades - Network Upgrades that are required beyond the substation located at the Point of Interconnection.

System Protection Facilities - The equipment, including necessary protection signal communications equipment, required to protect (1) 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 Transmission Provider's Transmission System or on other delivery systems or other generating systems to which Transmission Provider's Transmission System is directly connected.

Tariff - The Transmission Provider's Open Access Transmission Tariff as approved by the Transmission Provider's Board of Commissioners. Prior to the Transmission Provider's Board of Commissioners' approval of an Open Access Transmission Tariff, Tariff includes any agreement executed between Customer and Transmission Provider's governing transmission service and interconnection service.

Transmission Owner - 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 Planning Guidelines - A Transmission Provider document that specifies certain technical requirements for expanding the Transmission Provider Transmission System.

Transmission Provider - Public Utility District No. 2 of Grant County, Washington.

Transmission Provider's Interconnection Facilities - All facilities and equipment owned, controlled, or operated by Transmission Provider from the Point of Change of Ownership to the Point of Interconnection as identified in Appendix A to the 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 or Network Upgrades.

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

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

Withdrawal Penalty - The penalty assessed by Transmission Provider to an Interconnection Customer that chooses to withdraw or is deemed withdrawn from Transmission Provider's interconnection queue or whose Generating Facility does not otherwise reach Commercial Operation as determined by the Transmission Provider. The calculation of the Withdrawal Penalty is set forth in Section 3.7.1 of this LGIP.

2. Scope and Application

2.1 Application of Standard Large Generator Interconnection Procedures

Sections 2 through 13 of this LGIP apply to processing an Interconnection Request pertaining to a Large Generating Facility. Unless otherwise stated in Transmission Provider's Small Generator Interconnection Procedures, Sections 2 through 10, 13.3, 13.4 of this LGIP and the applicable appendices of this LGIP that apply to processing an Interconnection Request pertain to a Qualified Small Generating Facility. A Qualified Small Generating Facility will be considered a Large Generating Facility for the purpose of implementing the applicable sections of this LGIP. Upon completion of the study process, a Qualified Small Generating Facility will be offered an SGIA per the terms of the SGIP.

2.2 Comparability

Transmission Provider shall receive, process and analyze all Interconnection Requests in a timely manner as set forth in this LGIP. Transmission Provider shall process and analyze Interconnection Requests from all Interconnection Customers comparably, regardless of whether the Generating Facilities are owned by Transmission Provider, its subsidiaries, Affiliates or others.

2.3 Base Case Data

Transmission Provider shall maintain base power flow, short circuit and stability databases, including all underlying assumptions, and contingency list on either its OASIS site or a password-protected website, subject to confidentiality provisions in LGIP Section 13.1. In addition, Transmission Provider shall maintain network models and underlying assumptions on either its OASIS site or a password-protected website. Such network models and underlying assumptions should reasonably represent those used during the most recent interconnection study and be representative of current system conditions. If Transmission Provider posts this information on a password-protected website, a link to the information must be provided on Transmission Provider's OASIS site. Transmission Provider is permitted to require that Interconnection Customers, OASIS site users and password-protected website users sign a confidentiality agreement before the release of commercially sensitive information or Critical Energy Infrastructure Information in the Base Case data. Such databases and lists, hereinafter referred to as Base Cases, shall include all (1) generation projects and (2) transmission projects, including merchant transmission projects that are proposed for the Transmission System for which a business case proposal has been submitted and approved by the Transmission Provider's capital project approval process.

2.4 No Applicability to Transmission Service

Nothing in this LGIP shall constitute a request for transmission service or confer upon an Interconnection Customer any right to receive transmission service.

2.5 Modifications to Existing Generating Facilities

2.5.1 Permissible Modifications

An Interconnection Customer with an existing Generating Facility is permitted to make modifications to the Existing Generating Facility under this Section 2.5.1, if the modifications do not increase the Generating Facility Capacity or have an impact on the Transmission System that would require a new Interconnection Request.

2.5.2 Transmission Provider's Sole Discretion

Transmission Provider, at its sole discretion, will determine whether the proposed changes by Interconnection Customer require a new Interconnection Request. Transmission Provider may perform any necessary additional studies to determine whether the proposed modifications require a new Interconnection Request. Interconnection Customer shall be responsible for any cost of additional studies.

2.5.3 Modifications to Applicable Agreements

Transmission Provider shall determine the necessary changes to Interconnection Customer's applicable LGIA and/or other interconnection agreements. Prior to making any Permissible Modifications under Section 2.5.1, Interconnection Customer shall sign a revised LGIA and/or interconnection agreement.

3. Interconnection Requests

3.1 Study Deposit

Interconnection Customer shall submit to Transmission Provider, during a Cluster Request Window, an Interconnection Request in the form of Appendix 1 to this LGIP, a non-refundable application fee of \$5,000, and a refundable study deposit of:

- a. \$20,000 plus \$1,000 per requested MW for Interconnection Request $\leq$ 20 MW, or:

- b. \$35,000 plus \$1,000 per requested MW for Interconnection Requests $> 20 \text{ MW} < 80 \text{ MW}$; or
- c. \$150,000 for Interconnection Requests $\geq 80 \text{ MW} < 200 \text{ MW}$; or
- d. \$250,000 for Interconnection Requests $\geq 200 \text{ MW}$.

Transmission Provider shall apply the study deposit toward the cost of the Cluster Study Process.

3.1.1 Submission

Interconnection Customer shall submit a separate Interconnection Request for each site. Where multiple Generating Facilities share a site, Interconnection Customer(s) may submit separate Interconnection Requests or a single Interconnection Request. An Interconnection Request to evaluate one site at two different voltage levels shall be treated as two Interconnection Requests.

At Interconnection Customer's option, Transmission Provider and Interconnection Customer will identify alternative Point(s) of Interconnection and configurations at a Scoping Meeting within the Customer Engagement Window to evaluate in this process and attempt to eliminate alternatives in a reasonable fashion given resources and information available. Interconnection Customer will select the definitive Point(s) of Interconnection to be studied no later than the execution of the Cluster Study Agreement. For purposes of clustering Interconnection Requests, Transmission Provider may propose changes to the requested Point of Interconnection to facilitate efficient interconnection of Interconnection Customers at common Point(s) of Interconnection. Transmission Provider shall notify Interconnection Customers in writing of any intended changes to the requested Point of Interconnection within the Customer Engagement Window, and the Point of Interconnection shall only change upon mutual agreement.

Transmission Provider shall have a process in place to consider requests for Interconnection Service below the Generating Facility Capacity. These requests for Interconnection Service shall be studied at the level of Interconnection Service requested for purposes of Interconnection Facilities, Network Upgrades, and associated costs, but may be subject to other studies at the full Generating Facility Capacity to ensure safety and reliability of the system, with the study costs borne by Interconnection Customer. If after the additional studies are complete, Transmission Provider determines that additional Network Upgrades are necessary, then Transmission Provider must: (1) specify which additional Network Upgrade costs are based on which studies; and (2) provide a detailed explanation of why the additional Network Upgrades are necessary. Any Interconnection Facility and/or Network Upgrade costs required for safety and reliability also would be borne by Interconnection Customer. Interconnection Customers may be subject to additional control technologies as well as testing and validation of those technologies consistent with Section 6 of the LGIA. The necessary control technologies and protection systems shall be established in Appendix C of that executed LGIA.

Transmission Provider shall have a process in place to study Generating Facilities that include at least one electric storage resource using operating assumptions that reflect the proposed charging behavior of the Generating Facility as requested by Interconnection Customer, unless (1) Transmission Provider determines that Good Utility Practice, including Applicable Reliability Standards, otherwise requires the use of different operating assumptions or (2) Transmission Provider determines the proposed charging behavior is not practical to incorporate in the Cluster Study, in which case Transmission Provider will use a charging behavior Transmission Provider considers practical. If Transmission Provider finds Interconnection Customer's requested operating assumptions conflict with Good Utility Practice or are not considered practical, Transmission Provider must provide Interconnection Customer an explanation in writing of why the submitted operating assumptions are insufficient or inappropriate by no later than thirty (30) Calendar Days before the end of the Customer Engagement Window and allow Interconnection

Customer to revise and resubmit requested operating assumptions one time at least ten (10) Calendar Days prior to the end of the Customer Engagement Window. Transmission Provider shall study these requests for Interconnection Service, with the study costs borne by Interconnection Customer, using the submitted operating assumptions for purposes of Interconnection Facilities, Network Upgrades, and associated costs. These requests for Interconnection Service also may be subject to other studies at the full Generating Facility Capacity to ensure safety and reliability of the system, with the study costs borne by Interconnection Customer. Interconnection Customer's Generating Facility may be subject to additional control technologies as well as testing and validation of such additional control technologies consistent with Section 6 of the LGIA. The necessary control technologies and protection systems shall be set forth in Appendix C of Interconnection Customer's LGIA.

3.2 Identification of Types of Interconnection Services

At the time the Interconnection Request is submitted, Interconnection Customer must request either Energy Resource Interconnection Service or Network Resource Interconnection Service, as described; provided, however, any Interconnection Customer requesting Network Resource Interconnection Service may also request that it be concurrently studied for Energy Resource Interconnection Service, up to the point when an Interconnection Facilities Study Agreement is executed. Interconnection Customer may then elect to proceed with Network Resource Interconnection Service or to proceed under Energy Resource Interconnection Services to the extent that only certain upgrades will be completed.

3.2.1 Energy Resource Interconnection Service

3.2.1.1 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. Energy Resource Interconnection Service does not in and of itself convey any right to deliver electricity to any specific customer or Point of Delivery.

3.2.1.2 The Study

The study consists of short circuit/fault duty, steady state (thermal and voltage) and stability analyses. The short circuit/fault duty analysis would identify direct Interconnection Facilities required and the Network Upgrades necessary to address short circuit issues associated with the Interconnection Facilities. The stability and steady state studies would identify necessary upgrades to allow full output of the proposed Large Generating Facility, except for Generating Facilities that include at least one electric storage resource that request to use operating assumptions pursuant to Section 3.1.2, unless the Transmission Provider (1) determines that Good Utility Practice, including Applicable Reliability Standards, otherwise requires the use of different operating assumptions or (2) Transmission Provider determines the assumptions to not be practical for the study process, and would also identify the maximum allowed output, at the time the study is performed, of the interconnecting Large Generating Facility without requiring additional Network Upgrades.

3.2.2 Network Resource Interconnection Service

3.2.2.1 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 Network Resources. Network Resource Interconnection Service allows Interconnection Customer's Large Generating Facility to be designated 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.

3.2.2.2 The Study

The Interconnection Study for Network Resource Interconnection Service shall assure that Interconnection Customer's Large Generating Facility meets the requirements for Network Resource Interconnection Service and as a general matter, that such Large Generating Facility's interconnection is also studied with Transmission Provider's Transmission System at peak load, under a variety of severely stressed conditions, to determine whether, with the Large Generating Facility at full output, except for Generating Facilities that include at least one electric storage resource that request to use, and for which Transmission Provider approves, operating assumptions pursuant to Section 3.1.2, the aggregate of generation in the local area can be delivered to the aggregate of load on Transmission Provider's Transmission System, consistent with Transmission Provider's reliability criteria and procedures. This approach assumes that some portion of existing Network Resources are displaced by the output of Interconnection Customer's Large Generating Facility. Network Resource Interconnection Service in and of itself does not convey any right to deliver electricity to any specific customer or Point of Delivery. Transmission Provider may also study the Transmission System under non-peak load conditions. However, upon request by Interconnection Customer, Transmission Provider must explain in writing to Interconnection Customer why the study of non-peak load conditions is required for reliability purposes.

3.3 Utilization of Surplus Interconnection Service

Transmission Provider must provide a process that allows an Interconnection Customer to utilize or transfer Surplus Interconnection Service at an existing Point of Interconnection. The original Interconnection Customer or one of its Affiliates shall have priority to utilize Surplus Interconnection Service. If the existing Interconnection Customer or one of its Affiliates does not exercise its priority, then that service may be made available to other potential Interconnection Customers at the discretion of the Transmission Provider.

3.3.1 Surplus Interconnection Service Requests

Surplus Interconnection Service requests may be made by the existing Interconnection Customer or one of its Affiliates or may be submitted after the Interconnection Customer has executed the LGIA. Surplus Interconnection Service requests also may be made by another Interconnection Customer. Transmission Provider shall provide a process for evaluating Interconnection Requests for Surplus Interconnection Service. Studies for Surplus Interconnection Service shall consist of reactive power, short circuit/fault duty, stability analyses, and any other appropriate studies. Steady-state (thermal/voltage) analyses may be performed as necessary to ensure that all required reliability conditions are studied. If the Surplus Interconnection Service was not studied under off-peak conditions, off-peak steady state analyses shall be performed to the required level necessary to demonstrate reliable operation of the Surplus Interconnection Service. If the original system impact study report or Cluster Study Report is not available for the Surplus Interconnection Service,

both off-peak and peak analysis may need to be performed for the existing Generating Facility associated with the request for Surplus Interconnection Service. The reactive power, short circuit/fault duty, stability, and steady-state analyses for Surplus Interconnection Service will identify any additional Interconnection Facilities and/or Network Upgrades necessary.

Transmission Provider shall study Surplus Interconnection Service requests for a Generating Facility that includes at least one electric storage resource using operating assumptions that reflect the proposed charging behavior of the Generating Facility as requested by Interconnection Customer, unless Transmission Provider determines that Good Utility Practice, including Applicable Reliability Standards, otherwise requires the use of different operating assumptions or Transmission Provider determines the proposed charging behavior to not be practical for the study process as indicated in Section 3.1.2.

3.4 Valid Interconnection Request

3.4.1 Cluster Request Window

All applications for Interconnection Service submitted after October 1, 2023 will be subject to this LGIP. The timeline of the initial Cluster Request Window will be designated by Transmission Provider and will be communicated on Transmission Provider's public website.

Interconnection Requests received prior to October 1, 2023 may choose to participate in the initial Cluster. Any requests received prior to October 1, 2023 that participate in the initial Cluster will be subject to this LGIP in its entirety.

Successive Cluster Request Windows shall open as designated by Transmission Provider and will be communicated on Transmission Provider's public website.

3.4.2 Initiating an Interconnection Request

An Interconnection Customer seeking to join the initial Cluster shall submit its Interconnection Request to Transmission Provider within, and no later than the close of, the initial Cluster Request Window as indicated in Section 3.4.1. Interconnection Requests submitted outside of the initial Cluster Request Window will be considered in a subsequent Cluster. To initiate an Interconnection Request, Interconnection Customer must submit all of the following:

- (i) Applicable study deposit amount, pursuant to Section 3.1.1.1 of this LGIP,
- (ii) A completed application in the form of Appendix 1, (inclusive of the network model in PowerWorld format with the technical data for the proposed project)
- (iii) Demonstration of no less than ninety percent (90%) Site Control or (1) a signed affidavit from an officer of the company indicating that Site Control is unobtainable due to Regulatory Limitations as such term is defined by the Transmission Provider; and (2) documentation sufficiently describing and explaining the source and effects of such Regulatory Limitations, including a description of any conditions that must be met to satisfy the Regulatory Limitations and the anticipated time by which Interconnection Customer expects to satisfy the regulatory requirements and (3) a deposit in lieu of Site Control of \$10,000 per MW, subject to a minimum of \$500,000 and a maximum of \$2,000,000. Interconnection Requests from multiple Interconnection Customers for multiple Generating Facilities that share a site must include a contract or other agreement that allows for shared land use.
- (iv) Generating Facility Capacity (MW) (and requested Interconnection Service level if the

requested Interconnection Service is less than the Generating Facility Capacity),

- (v) If applicable, (1) the requested operating assumptions as approved by Transmission Provider subject to Section 3.2.2.2 to be used by Transmission Provider that reflect the proposed charging behavior of the Generating Facility that includes at least one electric storage resource, and (2) a description of any control technologies (software and/or hardware) that will limit the operation of the Generating Facility to the operating assumptions submitted by Interconnection Customer.
- (vi) A Commercial Readiness Deposit equal to two times the study deposit described in Section 3.1.1.1 of this LGIP in the form of an irrevocable letter of credit, cash, or other form of security that is reasonably acceptable to Transmission Provider. This Commercial Readiness Deposit is refunded to Interconnection Customer according to Section 3.7 of this LGIP,
- (vii) A Point of Interconnection, and
- (viii) Whether the Interconnection Request shall be studied for Network Resource Interconnection Service or for Energy Resource Interconnection Service, consistent with Section 3.2 of this LGIP.

An Interconnection Customer that submits a deposit in lieu of Site Control due to demonstrated Regulatory Limitations must demonstrate that it is taking identifiable steps to secure the necessary regulatory approvals from the applicable federal, state, and/or tribal entities before execution of the Cluster Study Agreement. Such deposit will be held by Transmission Provider until Interconnection Customer provides the required Site Control demonstration for its point in the Cluster Study Process. Interconnection Customers facing qualifying Regulatory Limitations must demonstrate one hundred percent (100%) Site Control within one hundred eighty (180) Calendar Days of the effective date of the LGIA.

Interconnection Customer shall promptly inform Transmission Provider of any material change to Interconnection Customer's demonstration of Site Control under Section 3.4.2(iii) of this LGIP. If Transmission Provider determines, based on Interconnection Customer's information, that Interconnection Customer no longer satisfies the Site Control requirement, Transmission Provider shall give Interconnection Customer ten (10) Business Days to demonstrate satisfaction with the applicable requirement subject to Transmission Provider's approval. Absent such, Transmission Provider shall deem the Interconnection Request withdrawn pursuant to Section 3.7 of this LGIP.

The proposed In-Service Date of the new Large Generating Facility or increase in capacity of the existing Generating Facility shall be no later than the process window for the regional expansion planning period (or in the absence of a regional planning process, the process window for Transmission Provider's expansion planning period) not to exceed seven (7) years from the date the Interconnection Request is received by Transmission Provider, unless Interconnection Customer demonstrates that engineering, permitting and construction of the new Large Generating Facility or increase in capacity of the existing Generating Facility will take longer than the regional expansion planning period. The expected In-Service Date shall be negotiated in good faith between the Transmission Provider and Interconnection Customer. The In-Service Date may succeed the date the Interconnection Request is received by Transmission Provider by a period up to ten (10) years, or longer where Interconnection Customer and Transmission Provider agree.

3.4.3 Acknowledgment of Interconnection Request

Transmission Provider shall acknowledge receipt of the Interconnection Request within fifteen (15) Business Days of receipt of the request and attach a copy of the received Interconnection Request to the acknowledgement.

3.4.4 Deficiencies in Interconnection Request

An Interconnection Request will not be considered to be a valid request until all items in Section 3.4.2 of this LGIP have been received by Transmission Provider during the Cluster Request Window. If an Interconnection Request fails to meet the requirements set forth in Section 3.4.2 of this LGIP, Transmission Provider shall notify Interconnection Customer within fifteen (15) Business Days of receipt of the initial Interconnection Request of the reasons for such failure and that the Interconnection Request does not constitute a valid request. Interconnection Customer shall provide Transmission Provider the additional requested information needed to constitute a valid request within ten (10) Business Days after receipt of such notice but no later than the close of the Cluster Request Window. At any time, if Transmission Provider finds that the technical data provided by Interconnection Customer is incomplete or contains errors, Interconnection Customer and Transmission Provider shall work expeditiously and in good faith to remedy such issues. In the event that Interconnection Customer fails to comply with this Section 3.4.4 of this LGIP, Transmission Provider shall deem the Interconnection Request withdrawn (without the cure period provided under Section 3.7 of this LGIP), the application fee is forfeited to Transmission Provider, and the study deposit and Commercial Readiness Deposit shall be returned to Interconnection Customer.

3.4.5 Customer Engagement Window

Upon the close of each Cluster Request Window, Transmission Provider shall open a sixty (60) Calendar Day period (Customer Engagement Window). During the Customer Engagement Window, Transmission Provider shall hold a Scoping Meeting with all interested Interconnection Customers. Notwithstanding the preceding requirements and upon written consent of all Interconnection Customers within the Cluster, Transmission Provider may shorten the Customer Engagement Window and begin the Cluster Study. Within ten (10) Business Days of the opening of the Customer Engagement Window, Transmission Provider shall post on its OASIS a list of Interconnection Requests for that Cluster. The list shall identify, for each anonymized Interconnection Request: (1) the requested amount of Interconnection Service; (2) the location by latitude and longitude coordinates; (3) the station or transmission line or lines where the interconnection will be made; (4) the proposed In-Service Date; (5) the type of Interconnection Service requested; and (6) the type of Generating Facility or Facilities to be constructed, including fuel types, such as coal, natural gas, solar, or wind. The Transmission Provider must ensure that project information is anonymized and does not reveal the identity or commercial information of Interconnection Customers with submitted requests. During the Customer Engagement Window, Transmission Provider shall provide to Interconnection Customer a non-binding updated good faith estimate of the cost and timeframe for completing the Cluster Study and a Cluster Study Agreement to be executed prior to the close of the Customer Engagement Window.

At the end of the Customer Engagement Window, all Interconnection Requests deemed valid that have executed a Cluster Study Agreement in the form of Appendix 2 to this LGIP shall be included in the Cluster Study. Any Interconnection Requests for which Interconnection Customer has not executed a Cluster Study Agreement at the close of the Cluster Engagement Window shall be deemed withdrawn (without the cure period provided under Section 3.7 of this LGIP) by Transmission Provider, the application fee shall be forfeited to Transmission Provider, and Transmission Provider shall return the study deposit and Commercial Readiness Deposit to

Interconnection Customer. Immediately following the Customer Engagement Window, Transmission Provider shall initiate the Cluster Study described in Section 7 of this LGIP.

3.4.6 Cluster Study Scoping Meeting

During the Customer Engagement Window, Transmission Provider shall hold a Scoping Meeting with all Interconnection Customers whose valid Interconnection Requests were received in that Cluster Request Window.

The purpose of the Cluster Study Scoping Meeting shall be to discuss alternative interconnection options, to exchange information including any transmission data and earlier study evaluations that would reasonably be expected to impact such interconnection options, to discuss the Cluster Study materials posted to OASIS pursuant to Section 3.5 of this LGIP, if applicable, and to analyze such information. Transmission Provider and Interconnection Customer(s) will bring to the meeting such technical data, including, but not limited to: (i) general facility loadings, (ii) general instability issues, (iii) general short circuit issues, (iv) general voltage issues, and (v) general reliability issues as may be reasonably required to accomplish the purpose of the meeting. Transmission Provider and Interconnection Customer(s) will also bring to the meeting personnel and other resources as may be reasonably required to accomplish the purpose of the meeting in the time allocated for the meeting. Transmission Provider will identify valid Points of Interconnection for each Interconnection Customer. On the basis of the meeting, Interconnection Customer(s) shall designate its Point of Interconnection. The duration of the meeting shall be sufficient to accomplish its purpose. If the Cluster Study Scoping Meeting consists of more than one Interconnection Customer, Transmission Provider shall issue, no later than fifteen (15) Business Days after the commencement of the Customer Engagement Window, and Interconnection Customer shall execute a non-disclosure agreement prior to a group Cluster Study Scoping Meeting, which will provide for confidentiality of identified information or commercially sensitive information pertaining to any other Interconnection Customers.

3.5 OASIS Posting

3.5.1 OASIS Posting

Transmission Provider will maintain on its OASIS a list of all Interconnection Requests. The list will identify, for each Interconnection Request: (i) the maximum summer and winter megawatt electrical output; (ii) the location by county and state; (iii) the station or transmission line or lines where the interconnection will be made; (iv) the projected In-Service Date; (v) the status of the Interconnection Request, including Queue Position; (vi) the type of Interconnection Service being requested; (vii) the availability of any studies related to the Interconnection Request; (viii) the date of the Interconnection Request; (ix) the type of Generating Facility to be constructed; and (x) for Interconnection Requests that have not resulted in a completed interconnection, an explanation as to why it was not completed. Except in the case of an Affiliate, the list will not disclose the identity of Interconnection Customer until Interconnection Customer executes an LGIA. Before holding a Scoping Meeting with its Affiliate, Transmission Provider shall post on OASIS an advance notice of its intent to do so. Transmission Provider shall post to its OASIS site any deviations from the study timelines set forth herein. Interconnection Study reports and Optional Interconnection Study reports shall be posted to Transmission Provider's OASIS site subsequent to the meeting between Interconnection Customer and Transmission Provider to discuss the applicable study results. Transmission Provider shall also post any known deviations in the Large Generating Facility's In-Service Date.

3.6 Coordination with Affected Systems

Transmission Provider will coordinate the conduct of any studies required to determine the impact of the Interconnection Request on Affected Systems with Affected System Operators. Interconnection Customer will cooperate with Transmission Provider and any Affected System Operator in all matters related to the conduct of studies and the determination of modifications to Affected Systems.

The Affected System Operator whose system may be impacted by a proposed interconnection on another transmission provider's transmission system shall cooperate with the Transmission Provider in all matters related to the conduct of studies and the determination of modifications to applicable transmission provider's transmission system.

3.6.1 Initial Notification

Transmission Provider must notify Affected System Operator of a potential Affected System impact caused by an Interconnection Request within ten (10) Business Days of the completion of the Cluster Study.

At the time of initial notification, Transmission Provider must provide Interconnection Customer with a list of potential Affected Systems, along with relevant contact information.

3.6.2 Notification of Cluster Restudy

Transmission Provider must notify Affected System Operator of a Cluster Restudy concurrently with its notification of such Cluster Restudy to Interconnection Customers.

3.6.3 Notification of Cluster Restudy Completion

Upon the completion of Transmission Provider's Cluster Restudy, Transmission Provider will notify Affected System Operator of a potential Affected System impact caused by an Interconnection Request within ten (10) Business Days of the completion of the Cluster Restudy, regardless of whether that potential Affected System impact was previously identified. At the time of the notification of the completion of the Cluster Restudy to the Affected System Operator, Transmission Provider must provide Interconnection Customer with a list of potential Affected System Operators, along with relevant contact information.

3.7 Withdrawal

Interconnection Customer may withdraw its Interconnection Request at any time by written notice of such withdrawal to Transmission Provider. In addition, if Interconnection Customer fails to adhere to all requirements of this LGIP, except as provided in Section 13.5 (Disputes), Transmission Provider shall deem the Interconnection Request to be withdrawn and shall provide written notice to Interconnection Customer of the deemed withdrawal and an explanation of the reasons for such deemed withdrawal. Upon receipt of such written notice, Interconnection Customer shall have fifteen (15) Business Days in which to either respond with information or actions that cures the deficiency or to notify Transmission Provider of its intent to pursue Dispute Resolution.

Withdrawal shall result in the loss of Interconnection Customer's Queue Position. If an Interconnection Customer disputes the withdrawal and loss of its Queue Position, then during Dispute Resolution, Interconnection Customer's Interconnection Request is eliminated from the queue until such time that the outcome of Dispute Resolution would restore its Queue Position. An Interconnection Customer that withdraws or is deemed to have withdrawn its Interconnection Request shall pay to Transmission Provider all costs that Transmission Provider prudently incurs with respect to that Interconnection Request prior to Transmission Provider's receipt of notice described above. Interconnection Customer must pay all monies due to Transmission Provider before it is allowed to obtain any Interconnection Study data or results.

If Interconnection Customer withdraws its Interconnection Request or is deemed withdrawn by Transmission Provider under Section 3.7 of this LGIP, Transmission Provider shall (i) update the OASIS Queue Position posting; (ii) impose the Withdrawal Penalty described in Section 3.7.1 of this LGIP; and (iii) refund to Interconnection Customer any portion of the refundable portion of Interconnection Customer's study deposit that exceeds the costs that Transmission Provider has incurred. Transmission Provider shall also refund any portion of the Commercial Readiness Deposit not applied to the Withdrawal Penalty and, if applicable, the deposit in lieu of Site Control. In the event of such withdrawal, Transmission Provider, subject to the confidentiality provisions of Section 13.1 of this LGIP, shall provide, at Interconnection Customer's request, all information that Transmission Provider developed for any completed study conducted up to the date of withdrawal of the Interconnection Request.

3.7.1 Withdrawal Penalty

Interconnection Customer shall be subject to a Withdrawal Penalty if it withdraws its Interconnection Request or is deemed withdrawn, or the Generating Facility does not otherwise reach Commercial Operation as determined by the Transmission Provider unless: (1) the withdrawal does not have a material impact on the cost or timing of any Interconnection Request in the same Cluster; (2) Interconnection Customer withdraws after receiving Interconnection Customer's most recent Cluster Restudy Report and the Network Upgrade costs assigned to the Interconnection Request identified in that report have increased by more than twenty-five percent (25%) compared to costs identified in Interconnection Customer's preceding Cluster Study Report or Cluster Restudy Report; or (3) Interconnection Customer withdraws after receiving Interconnection Customer's Interconnection Facilities Study Report and the Network Upgrade costs assigned to the Interconnection Request identified in that report have increased by more than one hundred percent (100%) compared to costs identified in the Cluster Study Report or Cluster Restudy Report.

3.7.1.1 Calculation of the Withdrawal Penalty

If Interconnection Customer withdraws its Interconnection Request or is deemed withdrawn prior to the commencement of the initial Cluster Study, Interconnection Customer shall not be subject to a Withdrawal Penalty. If Interconnection Customer withdraws, is deemed withdrawn, or otherwise does not reach Commercial Operation at any point after the commencement of the initial Cluster Study, that Interconnection Customer's Withdrawal Penalty will be the greater of: (1) Interconnection Customer's study deposit required under Section 3.1.1.1 of this LGIP; or (2) as follows in (a) – (d):

- (a) If Interconnection Customer withdraws or is deemed withdrawn during the Cluster Study or after receipt of a Cluster Study Report, but prior to commencement of the Cluster Restudy if no Cluster Restudy is required or Interconnection Facilities Study, Interconnection Customer shall be charged two (2) times its actual allocated cost of all studies performed for Interconnection Customers in the Cluster up until that point in the Interconnection Study process.
- (b) If Interconnection Customer withdraws or is deemed withdrawn during the Cluster Restudy or after receipt of any applicable restudy reports issued pursuant to Section 7.5 of this LGIP, but prior to commencement of the Interconnection Facilities Study, Interconnection Customer shall be charged five percent (5%) its estimated Network Upgrade costs.
- (c) If Interconnection Customer withdraws or is deemed withdrawn during the Interconnection Facilities Study, after receipt of the Interconnection Facilities Study

Report issued pursuant to Section 8.3 of this LGIP, or after receipt of the draft LGIA but before Interconnection Customer has executed an LGIA, and has satisfied the other requirements described in Section 11.3 of this LGIP (i.e., Site Control demonstration, LGIA Deposit, reasonable evidence of one or more milestones in the development of the Generating Facility), Interconnection Customer shall be charged ten percent (10%) its estimated Network Upgrade costs.

- (d) If Interconnection Customer has executed an LGIA and has satisfied the other requirements described in Section 11.3 of this LGIP (i.e., Site Control demonstration, LGIA Deposit, reasonable evidence of one or more milestones in the development of the Generating Facility) and subsequently withdraws its Interconnection Request or if Interconnection Customer's Generating Facility otherwise does not reach Commercial Operation, that Interconnection Customer's Withdrawal Penalty shall be twenty percent (20%) its estimated Network Upgrade costs.

3.7.1.2 Distribution of the Withdrawal Penalty

3.7.1.2.1 Initial Distribution of Withdrawal Penalties Prior to Assessment of Network Upgrade Costs Previously Shared with Withdrawn Interconnection Customers in the Same Cluster

For a single Cluster, Transmission Provider shall hold all Withdrawal Penalty funds until all Interconnection Customers in that Cluster have either: (1) withdrawn or been deemed withdrawn; or (2) executed an LGIA. Any Withdrawal Penalty funds collected from the Cluster shall first be used to fund studies conducted under the Cluster Study Process for Interconnection Customers in the same Cluster that have executed the LGIA. Next, after the Withdrawal Penalty funds are applied to relevant study costs in the same Cluster, Transmission Provider will apply the remaining Withdrawal Penalty funds to reduce net increases, for Interconnection Customers in the same Cluster, in Interconnection Customers' Network Upgrade cost assignment and associated financial security requirements under Section 11.5 of the Transmission Provider's LGIA posted on Transmission Provider's public website attributable to the impacts of withdrawn Interconnection Customers that shared an obligation with the remaining Interconnection Customers to fund a Network Upgrade, as described in more detail in Sections 3.7.1.2.3 and 3.7.1.2.4. The total amount of funds used to fund these studies under the Cluster Study Process or those applied to any net increases in Network Upgrade costs for Interconnection Customers in the same Cluster shall not exceed the total amount of Withdrawal Penalty funds collected from the Cluster.

Withdrawal Penalty funds shall first be applied as a refund to invoiced study costs for Interconnection Customers in the same Cluster that did not withdraw within thirty (30) Calendar Days of such Interconnection Customers executing their LGIA. Distribution of Withdrawal Penalty funds within one specific Cluster for study costs shall not exceed the total actual Cluster Study Process costs for the Cluster. Withdrawal Penalty funds applied to study costs shall be allocated within the same Cluster to Interconnection Customers in a manner consistent with Transmission Provider's method in Section 13.3 of this LGIP for allocating the costs of Interconnection Studies conducted on a clustered basis. Transmission Provider shall post the balance of Withdrawal Penalty

funds held by Transmission Provider but not yet dispersed on its OASIS site and update this posting on a quarterly basis.

If an Interconnection Customer withdraws after it executes its LGIA, Transmission Provider shall first apply such Interconnection Customer's Withdrawal Penalty funds to any restudy costs required due to Interconnection Customer's withdrawal as a credit to as-yet-to be invoiced study costs to be charged to the remaining Interconnection Customers in the same Cluster in a manner consistent with Transmission Provider's method in Section 13.3 of this LGIP for allocating the costs of Interconnection Studies conducted on a clustered basis. Distribution of the Withdrawal Penalty funds for such restudy costs shall not exceed the total actual restudy costs.

3.7.1.2.2 Assessment of Network Upgrade Costs Previously Shared with Withdrawn Interconnection Customers in the Same Cluster

If Withdrawal Penalty funds remain for the same Cluster after the Withdrawal Penalty funds are applied to relevant study costs, Transmission Provider will determine if the withdrawn Interconnection Customers, at any point in the Cluster Study Process, shared cost assignment for one or more Network Upgrades with any remaining Interconnection Customers in the same Cluster based on the Cluster Study Report, Cluster Restudy Report(s), Interconnection Facilities Study Report, and any subsequent issued restudy report issued for the Cluster.

In Section 3.7.1.2 of this LGIP, shared cost assignments for Network Upgrades refers to the cost of Network Upgrades still needed for the same Cluster for which an Interconnection Customer, prior to withdrawing its Interconnection Request, shared the obligation to fund along with Interconnection Customers that have executed an LGIA.

If Transmission Provider's assessment determines that there are no shared cost assignments for any Network Upgrades in the same Cluster for the withdrawn Interconnection Customer, or determines that the withdrawn Interconnection Customer's withdrawal did not cause a net increase in the shared cost assignment for any remaining Interconnection Customers' Network Upgrade(s) in the same Cluster, Transmission Provider will return any remaining Withdrawal Penalty funds to the withdrawn Interconnection Customer(s). Such remaining Withdrawal Penalty funds will be returned to withdrawn Interconnection Customers based on the proportion of each withdrawn Interconnection Customer's contribution to the total amount of Withdrawal Penalty funds collected for the Cluster (i.e., the total amount before the initial disbursement required under Section 3.7.1.2.1 of this LGIP). Transmission Provider must make such disbursement within sixty (60) Calendar Days of the date on which all Interconnection Customers in the same Cluster have either: (1) withdrawn or been deemed withdrawn; or (2) executed an LGIA. For the withdrawn Interconnection Customers that Transmission Provider determines have caused a net increase in the shared cost assignment for one or more Network Upgrade(s) in the same Cluster under Section 3.7.1.2.3(a) of this LGIP, Transmission Provider will determine each such withdrawn Interconnection Customers' Withdrawal Penalty funds remaining balance that will be applied toward net increases in Network Upgrade shared

costs calculated under Sections 3.7.1.2.3(a) and 3.7.1.2.3(b) of this LGIP based on each such withdrawn Interconnection Customer's proportional contribution to the total amount of Withdrawal Penalty funds collected for the same Cluster (i.e., the total amount before the initial disbursement requirement under Section 3.7.1.2.1 of this LGIP).

If Transmission Provider's assessment determines that there are shared cost assignments for Network Upgrades in the same Cluster, Transmission Provider will calculate the remaining Interconnection Customers' net increase in cost assignment for Network Upgrades due to a shared cost assignment for Network Upgrades with the withdrawn Interconnection Customer and distribute Withdrawal Penalty funds as described in Section 3.7.1.2.3, depending on whether the withdrawal occurred before the withdrawing Interconnection Customer executed the LGIA as described in Section 3.7.1.2.3(a) of this LGIP, or after such execution of an LGIA, as described in Section 3.7.1.2.3(b) of this LGIP.

As discussed in Section 3.7.1.2.4 of this LGIP, Transmission Provider will amend executed LGIAs of the remaining Interconnection Customers in the same Cluster to apply the remaining Withdrawal Penalty funds to reduce net increases in Interconnection Customers' Network Upgrade cost assignment and associated financial security requirements under Section 11.5 in Transmission Provider's LGIA posted on Transmission Provider's public website, attributable to the impacts of withdrawn Interconnection Customers on Interconnection Customers remaining in the same Cluster that had a shared cost assignment for Network Upgrades with the withdrawn Interconnection Customers.

3.7.1.2.3 Impact Calculations

3.7.1.2.3(a) Impact Calculation for Withdrawals During the Cluster Study Process

If an Interconnection Customer withdraws before it executes its LGIA, Transmission Provider will distribute in the following manner the Withdrawal Penalty funds to reduce the Network Upgrade cost impact on the remaining Interconnection Customers in the same Cluster who had a shared cost assignment for a Network Upgrade with the withdrawn Interconnection Customer.

To calculate the reduction in the remaining Interconnection Customers' net increase in Network Upgrade costs and associated financial security requirements under Section 11.5 of Transmission Provider's LGIA posted on Transmission Provider's public website, Transmission Provider will determine the financial impact of a withdrawing Interconnection Customer on other Interconnection Customers in the same Cluster that shared an obligation to fund the same Network Upgrade(s). Transmission Provider shall calculate this financial impact once all Interconnection Customers in the same Cluster either: (1) have withdrawn or have been deemed withdrawn; or (2) executed an LGIA. Transmission Provider will perform the financial impact calculation using the following steps.

First, Transmission Provider must determine which withdrawn Interconnection Customers shared an obligation to fund Network Upgrades with Interconnection Customers from the same Cluster that have LGIAs that are executed. Next, Transmission Provider shall perform the calculation of the financial impact of a withdrawal on another Interconnection Request in the same Cluster by performing a comparison of the Network Upgrade cost estimates between each of the following:

- (1) Cluster Study phase to Cluster Restudy phase (if Cluster Restudy was necessary);
- (2) Cluster Restudy phase to Interconnection Facilities Study phase (if a Cluster Restudy was necessary);
- (3) Cluster Study phase to Interconnection Facilities Study phase (if no Cluster Restudy was performed);
- (4) Interconnection Facilities Study phase to any subsequent restudy that was performed before the execution of an LGIA;
- (5) the restudy to the executed LGIA (if a restudy was performed after the Interconnection Facilities Study phase and before the execution of an LGIA).

If, based on the above calculations, Transmission Provider determines:

- (i) that the costs assigned to an Interconnection Customer in the same Cluster for Network Upgrades that a withdrawn Interconnection Customer shared cost assignment for increased between any two studies, and
- (ii) after the impacted Interconnection Customer's LGIA was executed, Interconnection Customer's cost assignment for the relevant Network Upgrade is greater than it was prior to the withdrawal of Interconnection Customer in the same Cluster that shared cost assignment for the Network Upgrade, then Transmission Provider shall apply the withdrawn Interconnection Customer's Withdrawal Penalty funds that has not already been applied to study costs in the amount of the financial impact by reducing, in the same Cluster, the remaining Interconnection Customer's Network Upgrade costs and associated financial security requirements under Section 11.5 of the Transmission Provider's LGIA posted on Transmission Provider's public website.

If Transmission Provider determines that more than one Interconnection Customer in the same Cluster was financially impacted by the same withdrawn Interconnection Customer, Transmission Provider will apply the relevant withdrawn Interconnection Customer's Withdrawal Penalty funds that has not already been applied to study costs to reduce the financial impact to each Interconnection Customer based on each Interconnection Customer's proportional share of the financial impact, as determined by either the Proportional Impact Method if it is a System Network Upgrade or on a per capita basis if it is a Substation Network Upgrade, as described under Section 4.2.1 of this LGIP.

3.7.1.2.3(b) Impact Calculation for Withdrawals in the Same Cluster After the Cluster Study Process

If an Interconnection Customer withdraws after it executes its LGIA, Transmission Provider will distribute in the following manner the remaining Withdrawal Penalty funds to reduce the Network Upgrade cost impact on the remaining Interconnection Customers in the same Cluster who had a shared cost assignment with the withdrawn Interconnection Customer for one or more Network Upgrades.

Transmission Provider will determine the financial impact on the remaining Interconnection Customers in the same Cluster within thirty (30) calendar days after the withdrawal occurs. Transmission Provider will determine that financial impact by comparing the Network Upgrade cost funding obligations Interconnection Customers shared with the withdrawn Interconnection Customer before the withdrawal of Interconnection Customer and after the withdrawal of Interconnection Customer. If that comparison indicates an increase in Network Upgrade costs for an Interconnection Customer, Transmission Provider shall apply the withdrawn Interconnection Customer's Withdrawal Penalty funds to the increased costs each impacted Interconnection Customer in the same Cluster experienced associated with such Network Upgrade(s) in proportion to each Interconnection Customer's increased cost assignment, as determined by Transmission Provider.

3.7.1.2.4 Amending LGIA to Apply Reductions to Interconnection Customer's Assigned Network Upgrade Costs and Associated Financial Security Requirement with Respect to Withdrawals in the Same Cluster

Within thirty (30) Calendar Days of all Interconnection Customers in the same Cluster having: (1) withdrawn or been deemed withdrawn; or (2) executed an LGIA, Transmission Provider must perform the calculations described in Section 3.7.1.2.3(a) of this LGIP and provide such Interconnection Customers with an amended LGIA that provides the reduction in Network Upgrade cost assignment and associated reduction to Interconnection Customer's financial security requirements, under Section 11.5 of the Transmission Provider's LGIA posted on Transmission Provider's public website, due from Interconnection Customer to Transmission Provider.

Where an Interconnection Customer executes the LGIA and is later withdrawn or its LGIA is terminated, Transmission Provider must, within thirty (30) Calendar Days of such withdrawal or termination, perform the calculations described in Section 3.7.1.2.3(b) of this LGIP and provide such Interconnection Customers in the same Cluster with an amended LGIA that provides the reduction in Network Upgrade cost assignment and associated reduction to Interconnection Customer's financial security requirements, under Section 11.5 of Transmission Provider's LGIA posted on Transmission Provider's public website, due from Interconnection Customer to Transmission Provider.

Any repayment by Transmission Provider to Interconnection Customer under Section 11.4 of Transmission Provider's LGIA posted on Transmission Provider's public website of amounts advanced for Network Upgrades after

the Generating Facility achieves Commercial Operation shall be limited to the Interconnection Customer's total amount of Network Upgrade costs paid and associated financial security provided to Transmission Provider under Section 11.5 of the Transmission Provider's LGIA posted on Transmission Provider's public website..

3.7.1.2.5 Final Distribution of Withdrawal Penalty Funds

If Withdrawal Penalty funds remain for the Cluster after the Withdrawal Penalty funds are applied to relevant study costs and net increases in shared cost assignments for Network Upgrades to remaining Interconnection Customers, Transmission Provider will return any remaining Withdrawal Penalty funds to the withdrawn Interconnection Customers in the same Cluster net of the amount of each withdrawn Interconnection Customer's Withdrawal Penalty funds applied to study costs and net increases in shared cost assignments for Network Upgrades to remaining Interconnection Customers.

3.8 Identification of Predicate Facilities

Transmission Provider shall identify the Predicate Facilities to Interconnection Customer at the conclusion of the Cluster Study and included in Interconnection Customer's Large Generator Interconnection Agreement. The Predicate Facilities shall be identified as those future transmission system improvements previously approved by the Transmission Provider's capital project approval process. Transmission Provider shall also provide, upon request of Interconnection Customer, the estimated Interconnection Facility and/or Network Upgrade costs and estimated in-service completion time of each identified Predicate Facility when this information is readily available and if not commercially sensitive.

4. Interconnection Request Evaluation Process

Once an Interconnection Customer has submitted a valid Interconnection Request pursuant to Section 3.4 of this LGIP, such Interconnection Request shall become part of Transmission Provider's interconnection queue for further processing pursuant to the following procedures.

4.1 Queue Position

4.1.1 Assignment of Queue Position

Transmission Provider shall assign a Queue Position as follows: the Queue Position within the queue shall be assigned based upon the date and time of receipt of all items required pursuant to the provisions of Section 3.4 of this LGIP. All Interconnection Requests submitted and validated in a single Cluster Request Window shall be considered equally queued.

4.1.2 Higher Queue Position

A higher Queue Position assigned to an Interconnection Request is one that has been placed "earlier" in the queue in relation to another Interconnection Request that is assigned a lower Queue Position. All requests studied in a single Cluster shall be considered equally queued. Interconnection Customers that are part of Clusters initiated earlier in time than an instant Queue shall be considered to have a higher Queue Position than Interconnection Customers that are part of Clusters initiated later than an instant Queue.

4.2 General Study Process

Interconnection Studies performed within the Cluster Study Process shall be conducted in such a manner to ensure the efficient implementation of the applicable regional transmission expansion plan in light of the Transmission System's capabilities at the time of each study and consistent with Good Utility Practice.

Transmission Provider may use subgroups in the Cluster Study Process. In all instances in which Transmission Provider elects to use subgroups in the Cluster Study Process, Transmission Provider must publish the criteria used to define and determine subgroups on its OASIS or public website.

4.2.1 Cost Allocation for Interconnection Facilities and Network Upgrades

(1) For Network Upgrades identified in Cluster Studies, Transmission Provider shall calculate each Interconnection Customer's share of the costs as follows:

- (a) Substation Network Upgrades, including all switching stations, shall be allocated first per capita to Interconnection Facilities interconnecting to the substation at the same voltage level and then per capita to each Generating Facility sharing the Interconnection Facility.
- (b) System Network Upgrades shall be allocated based on the proportional impact of each individual Generating Facility in the Cluster Study on the need for a specific System Network Upgrade.
 - (i) Thermal Network Upgrade costs within a Cluster or Cluster Area (if applicable) will be allocated based on the proportional impact (MW) from each Generating Facility within the Cluster or Cluster Area (if applicable), on the constrained facilities.
 - (ii) Voltage Network Upgrade costs within a Cluster or Cluster Area (if applicable) will be allocated based on the voltage proportional impact from each Generating Facility within the Cluster or Cluster Area (if applicable), on the most constrained bus under the most constraining contingency.
 - (iii) In instances when mitigation(s) resolve multiple types of constraints (such as thermal + voltage or thermal + voltage + transient stability) the cost will be allocated within a Cluster or Cluster Area (if applicable) based on the ratio share of the total cost of the independent mitigation types in order to equitably allocate the cost to all Generating Facilities contributing to constraints.
 - (iv) Transient stability Network Upgrade costs within a Cluster or Cluster Area (if applicable) will be cost allocated based on the pro-rata share of the total megawatt requests of all the Generating Facilities causing instability.
 - (v) Short Circuit Network Upgrade costs within a Cluster or Cluster Area (if applicable) will be allocated based on the impact (kA) from each Generating Facility within the Cluster or Cluster Area (if applicable), on the constrained facilities under the most constraining fault.
- (c) An Interconnection Customer that funds Substation Network Upgrades and/or System Network Upgrades shall be entitled to transmission credits as provided in Section 11.4 of the LGIA.

(2) The costs of any needed Interconnection Facilities identified in the Cluster Study Process will be directly assigned to Interconnection Customer(s) using such facilities. Where Interconnection Customers in the Cluster agree to share Interconnection Facilities, the cost of such Interconnection Facilities shall be allocated based on the number of Generating Facilities

sharing use of such Interconnection Facilities on a per capita basis (i.e., on a per Generating Facility basis), unless Parties mutually agree to a different cost sharing arrangement.

4.3 Transferability of Queue Position

An Interconnection Customer may transfer its Queue Position to another entity only if such entity acquires the specific Generating Facility identified in the Interconnection Request and the Point of Interconnection does not change. This Queue Position transfer will not invalidate the modification procedures and requirements outlined in section 4.4.

4.4 Modifications

Interconnection Customer shall submit to Transmission Provider, in writing, modifications to any information provided in the Interconnection Request. Interconnection Customer shall retain its Queue Position if the modifications are in accordance with Sections 4.4.1, 4.4.2, or 4.4.5 of this LGIP, or are determined not to be Material Modifications or Qualified Change pursuant to Section 4.4.3 of this LGIP.

Notwithstanding the above, during the course of the Interconnection Studies, either Interconnection Customer or Transmission Provider may identify changes to the planned interconnection that may improve the costs and benefits (including reliability) of the interconnection, and the ability of the proposed change to accommodate the Interconnection Request. To the extent the identified changes are acceptable to Transmission Provider and Interconnection Customer, such acceptance not to be unreasonably withheld, Transmission Provider shall modify the Point of Interconnection prior to return of the executed Cluster Study Agreement, and Interconnection Customer shall retain its Queue Position.

4.4.1 Prior to the return of the executed Cluster Study Agreement to Transmission Provider, modifications permitted under this Section shall include specifically: (a) a decrease of up to sixty percent (60%) of electrical output (MW) of the proposed project, through either (1) a decrease in plant size or (2) a decrease in Interconnection Service level (consistent with the process described in Section 3.1 of this LGIP) accomplished by applying Transmission Provider-approved injection-limiting equipment; (b) modifying the technical parameters associated with the Large Generating Facility technology or the Large Generating Facility step-up transformer impedance characteristics; and (c) modifying the interconnection configuration. For plant increases, the incremental increase in plant output will go in the next Cluster Request Window for the purposes of cost allocation and study analysis.

4.4.2 Prior to the return of the executed Interconnection Facilities Study Agreement to Transmission Provider, the modifications permitted under this Section shall include specifically: (a) additional fifteen percent (15%) decrease of electrical output of the proposed project through either (1) a decrease in plant size (MW) or (2) a decrease in Interconnection Service level (consistent with the process described in Section 3.1) accomplished by applying Transmission Provider-approved injection-limiting equipment; (b) Large Generating Facility technical parameters associated with modifications to Large Generating Facility technology and transformer impedances; provided, however, the incremental costs associated with those modifications are the responsibility of the requesting Interconnection Customer; and (c) a Permissible Technological Advancement for the Large Generating Facility after the submission of the Interconnection Request. Section 4.4.6 of this LGIP specifies a separate technological change procedure including the requisite information and process that will be followed to assess whether Interconnection Customer's proposed technological advancement under Section 4.4.2(c) of this LGIP is a Material Modification. Section 1 of this LGIP contains a definition of Permissible Technological Advancement.

4.4.3 Prior to making any modification other than those specifically permitted by Sections 4.4.1, 4.4.2, and 4.4.5 of this LGIP, Interconnection Customer may first request that Transmission Provider evaluate whether such modification is a Material Modification or Qualified Change. In response to Interconnection Customer's request, Transmission Provider shall evaluate the proposed modifications prior to making them and inform Interconnection Customer in writing of whether the modifications would constitute a Material Modification or Qualified Change. Any change to the Point of Interconnection, except those deemed acceptable under Sections 3.1.2 or 4.4 of this LGIP or so allowed elsewhere, shall constitute a Material Modification. Interconnection Customer may then withdraw the proposed modification or proceed with a new Interconnection Request for such modification. Transmission Provider shall study the addition of a Generating Facility that includes at least one electric storage resource using operating assumptions as approved by Transmission Provider subject to Section 3.2.2.2 that reflect the proposed charging behavior of the Generating Facility as requested by Interconnection Customer, unless (1) Transmission Provider determines that Good Utility Practice, including Applicable Reliability Standards, otherwise requires the use of different operating assumptions or (2) Transmission Provider determines the assumptions to not be practical for the study process.

4.4.3.1 Interconnection Customer may request, and Transmission Provider shall evaluate, the addition to the Interconnection Request of a Generating Facility with the same Point of Interconnection indicated in the initial Interconnection Request, if the addition of the Generating Facility does not increase the requested Interconnection Service level. Transmission Provider must evaluate such modifications prior to deeming them a Material Modification, but only if Interconnection Customer submits them prior to the return of the executed Interconnection Facilities Study Agreement by Interconnection Customer to Transmission Provider. Interconnection Customers requesting that such a modification be evaluated must demonstrate the required Site Control at the time such request is made.

4.4.4 Upon receipt of Interconnection Customer's request for modification permitted under this Section 4.4 of this LGIP, Transmission Provider shall commence and perform any necessary additional studies as soon as practicable, Transmission Provider will endeavor to commence such studies within thirty (30) Calendar Days after receiving notice of Interconnection Customer's request. Any additional studies resulting from such modification shall be done at Interconnection Customer's cost. Any such request for modification of the Interconnection Request must be accompanied by any resulting updates to the models described in Appendix 1 of this LGIP.

4.4.5 Extensions of less than three (3) cumulative years in the Commercial Operation Date of the Large Generating Facility to which the Interconnection Request relates are not material and should be handled through construction sequencing that is solely determined by Transmission Provider. For purposes of this section, the Commercial Operation Date reflected in the initial Interconnection Request shall be used to calculate the permissible extension prior to Interconnection Customer executing an LGIA. After an LGIA is executed, the Commercial Operation Date reflected in the LGIA shall be used to calculate the permissible extension. Such cumulative extensions may not exceed three years including both extensions requested after execution of the LGIA by Interconnection Customer by Transmission Provider and those requested prior to execution of the LGIA by Interconnection Customer.

4.4.6 Technological Change Procedures

Prior to execution of an Interconnection Facilities Study Agreement, a technological change that satisfies the definition of Permissible Technology Advancement is a permissible modification that will not result in the Interconnection Customer losing its Queue Position.

An Interconnection Customer seeking to modify its proposed Generating Facility based upon a change to the turbines, inverters, or plant supervisory controls or other similar advancements to the existing technology proposed in the original Interconnection Request shall submit an Optional Interconnection Study Agreement in the form of Appendix 4, which shall be accompanied by a study deposit in the amount of specified in the Appendix, and any support relied on by the Interconnection Customer to show that the change is a Permissible Technological Advancement and not a Material Modification. Upon receipt of an Optional Interconnection Study Agreement that identifies a request for a technological change, the Transmission Provider, in consultation with the Interconnection Customer(s) to the extent practicable, shall first conduct a review of the technological change and supporting information to determine whether such change constitutes a Permissible Technological Advancement. If the study results demonstrate that the proposed technological change satisfies the definition of Permissible Technological Advancement then the technological change shall be approved without loss of Queue Position.

5. Procedures for Interconnection Requests Submitted Prior to Effective Date of this LGIP.

5.1 Procedures Interconnection Requests Submitted Prior to October 1, 2023

Interconnection Requests submitted prior to October 1, 2023 will be processed based on Transmission Provider's sequential study process in place on October 1, 2023. These processes may be revised by Transmission Provider as determined necessary by Transmission Provider. Interconnection Customer will be offered an LGIA per the LGIP which may be modified as determined by Transmission Provider. Any Interconnection Customer assigned a Queue Position prior to October 1, 2023 will maintain the assigned Queue Position. Interconnection Customer may choose to be subject to this LGIP by informing Transmission Provider within the appropriate Cluster Request Window and will then be part of the first Cluster Study and subject to all the terms of this LGIP.

5.2 Procedures for Interconnection Requests Received on or After October 1, 2023 and Prior to the Effective Date of this LGIP

Interconnection Requests submitted on or after October 1, 2023 will be subject to all the terms and provisions of this LGIP, will be part of the first Cluster Study and will have a Queue Position equally queued with all requests studied in the first Cluster.

6. Interconnection Information Access

6.1 Publicly Posted Interconnection Information

Prior to the start of the initial Cluster Request Window, Transmission Provider shall maintain and make publicly available a table of the estimated incremental injection capacity (in megawatts) available at its transmission switchyards under N-1 conditions. These capacity estimates must be calculated based on the power flow model of the Transmission System with the transfer simulated from each point of interconnection to the whole Transmission Provider's footprint (to approximate Network Resource Interconnection Service), and with the incremental capacity at each point of interconnection decremented by the existing and queued Generating Facilities (based on the existing or requested interconnection service limit of the generation). These metrics must be updated within one hundred twenty (120) Calendar Days after the completion of each Cluster Study and Cluster Restudy. This information must be publicly posted, without a password or a fee. The website will define all underlying assumptions, including the name of the most recent Cluster Study or Restudy used in the Base Case.

7. Cluster Study

7.1 Cluster Study Agreement

No later than ten (10) Business Days after the close of a Cluster Request Window, Transmission Provider shall tender to each Interconnection Customer that submitted a valid Interconnection Request a Cluster Study Agreement in the form of Appendix 2 to this LGIP. The Cluster Study Agreement shall require Interconnection Customer to compensate Transmission Provider for the actual cost of the Cluster Study pursuant to Section 13.3 of this LGIP. The specifications, assumptions, or other provisions in the appendices of the Cluster Study Agreement provided pursuant to Section 7.1 of this LGIP shall be subject to change by Transmission Provider following the conclusion of the Scoping Meeting.

7.2 Execution of Cluster Study Agreement

Interconnection Customer shall execute the Cluster Study Agreement and deliver the executed Cluster Study Agreement to Transmission Provider no later than the close of the Customer Engagement Window.

If Interconnection Customer does not provide all required technical data when it delivers the Cluster Study Agreement, Transmission Provider shall notify Interconnection Customer of the deficiency within ten (10) Business Days of the receipt of the executed Cluster Study Agreement and Interconnection Customer shall cure the deficiency within ten (10) Business Days of receipt of the notice, provided, however, such deficiency does not include failure to deliver the executed Cluster Study Agreement or Study Deposit.

7.3 Scope of Cluster Study

The Cluster Study shall evaluate the impact of the proposed interconnection on the reliability of the Transmission System. The Cluster Study will consider the Base Case as well as all Generating Facilities (and with respect to (iii) below, any identified Network Upgrades associated with such higher queued interconnection) that, on the date the Cluster Study is commenced: (i) are directly interconnected to the Transmission System; (ii) are interconnected to Affected Systems and may have an impact on the Interconnection Request; (iii) have a pending higher queued Interconnection Request to interconnect to the Transmission System; and (iv) have no Queue Position but have executed an LGIA.

For purposes of determining necessary Interconnection Facilities and Network Upgrades, the Cluster Study shall use the level of Interconnection Service requested by Interconnection Customers in the Cluster, except where the Transmission Provider otherwise determines that it must study the full Generating Facility Capacity due to safety or reliability concerns.

The Cluster Study will consist of power flow, stability, and short circuit analyses, the results of which are documented in a single Cluster Study Report, as applicable. At the conclusion of the Cluster Study, Transmission Provider shall issue a Cluster Study Report. The Cluster Study Report will state the assumptions upon which it is based; state the results of the analyses; and provide the requirements or potential impediments to providing the requested Interconnection Service, including a preliminary indication of the cost and length of time that would be necessary to correct any problems identified in those analyses and implement the interconnection. The Cluster Study Report shall identify the Interconnection Facilities and Network Upgrades expected to be required to reliably interconnect the Generating Facilities in that Cluster Study at the requested Interconnection Service level and shall provide non-binding cost estimates for required Network Upgrades. The Cluster Study Report shall identify each Interconnection Customer's estimated allocated costs for Interconnection Facilities and Network Upgrades pursuant to the method in Section 4.2.1 of this LGIP. Transmission Provider shall hold an open stakeholder meeting pursuant to Section 7.4 of this LGIP.

For purposes of determining necessary Interconnection Facilities and Network Upgrades, the Cluster Study shall use operating assumptions (i.e., whether the interconnecting Generating Facility will or will not charge at peak load) that reflect the proposed charging behavior of a Generating Facility that includes at least one electric storage resource as requested by Interconnection Customer, unless (1) Transmission Provider

determines that Good Utility Practice, including Applicable Reliability Standards, otherwise requires the use of different operating assumptions or (2) Transmission Provider determines the proposed charging behavior is not practical to incorporate in the Cluster Study, in which case Transmission Provider will use a charging behavior Transmission Provider considers practical. Transmission Provider may require the inclusion of control technologies sufficient to limit the operation of the Generating Facility per the operating assumptions as set forth in the Interconnection Request and to respond to dispatch instructions by Transmission Provider. As determined by Transmission Provider, Interconnection Customer may be subject to testing and validation of those control technologies consistent with applicable manufacturer recommendations and/or industry standards.

The Cluster Study shall evaluate the use of static synchronous compensators, static VAR compensators, advanced power flow control devices, transmission switching, synchronous condensers, voltage source converters, advanced conductors, and tower lifting. Transmission Provider shall evaluate each identified alternative transmission technology and determine whether the above technologies should be used, consistent with Good Utility Practice, Applicable Reliability Standards, and Applicable Laws and Regulations. If any of the above technologies are used, Transmission Provider shall include an explanation of the results of Transmission Provider's evaluation for each technology in the Cluster Study Report.

The Cluster Study Report will provide a list of facilities that are required as a result of the Interconnection Requests within the Cluster and a non-binding good faith estimate of cost responsibility and a non-binding good faith estimated time to construct.

7.4 Cluster Study Procedures

Transmission Provider shall coordinate the Cluster Study with any Affected System Operator that is affected by the Interconnection Request pursuant to Section 3.6 of this LGIP. Transmission Provider shall utilize existing studies to the extent practicable when it performs the Cluster Study. Interconnection Requests for a Cluster Study may be submitted only within the Cluster Request Window and Transmission Provider shall initiate the Cluster Study Process pursuant to Section 7 of this LGIP.

Transmission Provider shall endeavor to complete the Cluster Study within one hundred fifty (150) Calendar Days of the close of the Customer Engagement Window.

Within ten (10) Business Days of simultaneously furnishing a Cluster Study Report to each Interconnection Customer within the Cluster and posting such report on OASIS, Transmission Provider shall convene a Cluster Study Report Meeting.

At the request of Interconnection Customer or at any time Transmission Provider determines that it will not meet the desired time frame for completing the Cluster Study, Transmission Provider shall notify Interconnection Customers as to the schedule status of the Cluster Study. If Transmission Provider is unable to complete the Cluster Study within the specified time period, it shall notify Interconnection Customers and provide an estimated completion date with an explanation of the reasons why additional time is required. Upon request, Transmission Provider shall provide to Interconnection Customers all supporting documentation, workpapers and relevant pre-Interconnection Request and post-Interconnection Request power flow, short circuit and stability databases for the Cluster Study, subject to confidentiality arrangements consistent with Section 13.1 of this LGIP.

7.5 Cluster Study Restudies

(1) Within twenty (20) Calendar Days after the Cluster Study Report Meeting, Interconnection Customer must provide the following:

(a) Demonstration of continued Site Control pursuant to Section 3.4.2(iii) of this LGIP; and

- (b) An additional deposit that brings the total Commercial Readiness Deposit submitted to Transmission Provider to five percent (5%) of Interconnection Customer's Network Upgrade cost assignment identified in the Cluster Study in the form of an irrevocable letter of credit, cash, or other form of security that is reasonable acceptable to Transmission Provider. Transmission Provider shall refund the deposit to Interconnection Customer upon withdrawal in accordance with Section 3.7 of this LGIP.

Interconnection Customer shall promptly inform Transmission Provider of any material change to Interconnection Customer's demonstration of Site Control under Section 3.4.2(iii) of this LGIP. Upon Transmission Provider determining that Interconnection Customer no longer satisfies the Site Control requirement, Transmission Provider shall notify Interconnection Customer. Within ten (10) Business Days of such notification, Interconnection Customer must demonstrate compliance with the applicable requirement subject to Transmission Provider's approval, not to be unreasonably withheld. Absent such demonstration, Transmission Provider shall deem the subject Interconnection Request withdrawn pursuant to Section 3.7 of this LGIP.

- (2) If no Interconnection Customer withdraws from the Cluster after completion of the Cluster Study or Cluster Restudy or is deemed withdrawn pursuant to Section 3.7 of this LGIP after completion of the Cluster Study or Cluster Restudy, Transmission Provider shall notify Interconnection Customers in the Cluster that a Cluster Restudy is not required.
- (3) If one or more Interconnection Customers withdraw from the Cluster or are deemed withdrawn pursuant to Section 3.7 of this LGIP, Transmission Provider shall determine if a Cluster Restudy is necessary within thirty (30) Calendar Days after the Cluster Study Report Meeting. If Transmission Provider determines a Cluster Restudy is not necessary, Transmission Provider shall notify Interconnection Customers in the Cluster that a Cluster Restudy is not required and Transmission Provider shall provide an updated Cluster Study Report within thirty (30) Calendar Days of such determination.
- (4) If one or more Interconnection Customers withdraws from the Cluster or is deemed withdrawn pursuant to Section 3.7 of this LGIP, and Transmission Provider determines a Cluster Restudy is necessary as a result, Transmission Provider shall notify Interconnection Customers in the Cluster and post on OASIS that a Cluster Restudy is required within thirty (30) Calendar Days after the Cluster Study Report Meeting. Transmission Provider shall continue with such restudies until Transmission Provider determines that no further restudies are required. If an Interconnection Customer withdraws or is deemed withdrawn pursuant to Section 3.7 of this LGIP during the Interconnection Facilities Study, or after other Interconnection Customers in the same Cluster have executed LGIAs, and Transmission Provider determines a Cluster Restudy is necessary, the Cluster shall be restudied. If a Cluster Restudy is required due to a higher queued project withdrawing from the queue, or a modification of a higher or equally queued project subject to Section 4.4 of this LGIP, Transmission Provider shall so notify affected Interconnection Customers in writing. Except as provided in Section 3.7 of this LGIP in the case of withdrawing Interconnection Customers, any cost of Restudy shall be borne by Interconnection Customers being restudied.
- (5) The scope of any Cluster Restudy shall be consistent with the scope of an initial Cluster Study pursuant to Section 7.3 of this LGIP. Transmission Provider shall endeavor to complete the Cluster Restudy within one hundred fifty (150) Calendar Days of Transmission Provider informing the Interconnection Customers in the Cluster that restudy is needed. If Transmission Provider is unable to complete the Cluster Restudy within the specified time period, it shall notify Interconnection Customers and provide an estimated completion date with an explanation of the reasons why additional time is required. The results of the Cluster Restudy shall be combined into a single report (Cluster Restudy Report). Transmission Provider shall hold a meeting with Interconnection Customers in the Cluster (Cluster Restudy Report Meeting) within ten (10)

Business Days of simultaneously furnishing the Cluster Restudy Report to each Interconnection Customer in the Cluster Restudy and publishing the Cluster Restudy Report on OASIS.

If additional restudies are required, Interconnection Customer and Transmission Provider shall follow the procedures of this Section 7.5 of this LGIP until such time that Transmission Provider determines that no further restudies are required. Transmission Provider shall notify each Interconnection Customer within the Cluster when no further restudies are required.

8. Interconnection Facilities Study

8.1 Interconnection Facilities Study Agreement

Within ten (10) Business Days following Transmission Provider notifying each Interconnection Customer within the Cluster that no further Cluster Restudy is required (per Section 7.5 of this LGIP), Transmission Provider shall provide to Interconnection Customer an Interconnection Facilities Study Agreement in the form of Appendix 3 to this LGIP. Interconnection Customer shall compensate Transmission Provider for the actual cost of the Interconnection Facilities Study. Within ten (10) Business Days following the Cluster Report Meeting or Cluster Restudy Report Meeting if applicable, Transmission Provider shall provide to Interconnection Customer a non-binding good faith estimate of the cost and timeframe for completing the Interconnection Facilities Study.

Interconnection Customer shall execute the Interconnection Facilities Study Agreement and deliver the executed Interconnection Facilities Study Agreement to Transmission Provider within thirty (30) Calendar Days after its receipt, together with:

- (1) any required technical data;
- (2) Demonstration of one-hundred percent (100%) Site Control or demonstration of a regulatory limitation and applicable deposit in lieu of Site Control provided to Transmission Provider in accordance with Section 3.4.2 of this LGIP; and
- (3) An additional deposit that brings the total Commercial Readiness Deposit submitted to Transmission Provider to ten percent (10%) of Interconnection Customer's Network Upgrade cost assignment identified in the Cluster Study or Cluster Restudy, if applicable, in the form of an irrevocable letter of credit, cash, or other form of security that is reasonably acceptable to Transmission Provider. Transmission Provider shall refund the deposit to Interconnection Customer upon withdrawal in accordance with Section 3.7 of this LGIP.

Interconnection Customer shall promptly inform Transmission Provider of any material change to Interconnection Customer's demonstration of Site Control under Section 3.4.2(iii) of this LGIP. Upon Transmission Provider determining separately that Interconnection Customer no longer satisfies the Site Control requirement, Transmission Provider shall notify Interconnection Customer. Within ten (10) Business Days of such notification, Interconnection Customer must demonstrate compliance with the applicable requirement subject to Transmission Provider's approval, not to be unreasonably withheld. Absent such demonstration, Transmission Provider shall deem the subject Interconnection Request withdrawn pursuant to Section 3.7 of this LGIP.

8.2 Scope of Interconnection Facilities Study

The Interconnection Facilities Study shall be specific to each Interconnection Request and performed on an individual, i.e., non-clustered, basis. The Interconnection Facilities Study shall specify and provide a non-binding estimate of the cost of the equipment, engineering, procurement and construction work needed to

implement the conclusions of the Cluster Study Report (and any associated restudies) in accordance with Good Utility Practice to physically and electrically connect the Interconnection Facilities to the Transmission System. The Interconnection Facilities Study shall also identify the electrical switching configuration of the connection equipment, including, without limitation: the transformer, switchgear, meters, and other station equipment; the nature and estimated cost of any Transmission Provider's Interconnection Facilities and Network Upgrades necessary to accomplish the interconnection; and an estimate of the time required to complete the construction and installation of such facilities. The Interconnection Facilities Study will also identify any potential control equipment for (1) requests for Interconnection Service that are lower than the Generating Facility Capacity, and/or (2) requests to study a Generating Facility that includes at least one electric storage resource using operating assumptions that reflect its proposed charging behavior, as requested by Interconnection Customer, unless (1) Transmission Provider determines that Good Utility Practice, including Applicable Reliability Standards, otherwise require the use of different operating assumptions or (2) Transmission Provider determines the assumptions to not be practical for the study process.

8.3 Interconnection Facilities Study Procedures

Transmission Provider shall coordinate the Interconnection Facilities Study with any Affected System Operator pursuant to Section 3.6 of this LGIP. Transmission Provider shall utilize existing studies to the extent practicable in performing the Interconnection Facilities Study. Transmission Provider shall endeavor to complete the study and issue a draft Interconnection Facilities Study Report to Interconnection Customer within one hundred eighty (180) Calendar Days.

At the request of Interconnection Customer or at any time Transmission Provider determines that it will not meet the desired time frame for completing the Interconnection Facilities Study, Transmission Provider shall notify Interconnection Customer as to the schedule status of the Interconnection Facilities Study. If Transmission Provider is unable to complete the Interconnection Facilities Study and issue a draft Interconnection Facilities Study Report within the desired time, it shall notify Interconnection Customer and provide an estimated completion date and an explanation of the reasons why additional time is required.

Interconnection Customer may, within thirty (30) Calendar Days after receipt of the draft Interconnection Facilities Study Report, provide written comments to Transmission Provider, which Transmission Provider shall include in completing the final Interconnection Facilities Study Report. Transmission Provider shall endeavor to issue the final Interconnection Facilities Study Report within fifteen (15) Business Days of receiving Interconnection Customer's comments or promptly upon receiving Interconnection Customer's statement that it will not provide comments. Transmission Provider may reasonably extend such fifteen (15) Business Day period upon notice to Interconnection Customer if Interconnection Customer's comments require Transmission Provider to perform additional analyses or make other significant modifications prior to the issuance of the final Interconnection Facilities Study Report. Upon request, Transmission Provider shall provide Interconnection Customer supporting documentation, workpapers, and databases or data developed in the preparation of the Interconnection Facilities Study, subject to confidentiality arrangements consistent with Section 13.1 of this LGIP.

8.4 Meeting with Transmission Provider

Within ten (10) Business Days of providing a draft Interconnection Facilities Study Report to Interconnection Customer, Transmission Provider and Interconnection Customer shall meet to discuss the results of the Interconnection Facilities Study.

8.5 Restudy

If restudy of the Interconnection Facilities Study is required due to a higher or equally queued project withdrawing from the queue or a modification of a higher or equally queued project pursuant to Section 4.4

of this LGIP, Transmission Provider shall so notify Interconnection Customer in writing. Transmission Provider shall endeavor to complete such restudy within sixty (60) Calendar Days from the date of notice. Except as provided in Section 3.7 of this LGIP in the case of withdrawing Interconnection Customers, any cost of restudy shall be borne by Interconnection Customer being restudied.

9. Affected System Study

9.1 Applicability

This Section 9 outlines the duties of Transmission Provider when it receives notification that an Affected System Interconnection Customer's proposed interconnection to its host transmission provider may impact Transmission Provider's Transmission System.

9.2 Response to Notification

9.2.1 Response to Initial Notification

When Transmission Provider receives initial notification either following the Cluster Study or a Cluster Restudy that an Affected System Interconnection Customer's proposed interconnection to its host transmission provider may impact Transmission Provider's Transmission System, Transmission Provider will endeavor to respond in writing within twenty (20) Business Days whether it intends to conduct an Affected System Study.

By fifteen (15) Business Days after Transmission Provider responds with its affirmative intent to conduct an Affected System Study, Transmission Provider shall share with Affected System Interconnection Customer(s) and the Affected System Interconnection Customer's host transmission provider a non-binding good faith estimate of the cost and the schedule to complete the Affected System Study.

9.2.2 Response to Notification of Cluster Restudy

Within ten (10) Business Days of receipt of notification of Cluster Restudy, Transmission Provider will send written notification to Affected System Interconnection Customer(s) involved in the Cluster Restudy and the host transmission provider that Transmission Provider intends to delay a planned or in-progress Affected System Study until after completion of the Cluster Restudy. If Transmission Provider decides to delay the Affected System Study, it is not required to meet its obligations under Section 9 of this LGIP until the time that it receives notification from the host transmission provider that the Cluster Restudy is complete. If Transmission Provider decides to move forward with its Affected System Study despite the Cluster Restudy, then it must meet the requirements under Section 9 of this LGIP.

9.3 Affected System Queue Position

Transmission Provider must assign an Affected System Queue Position to Affected System Interconnection Customer(s) that require(s) an Affected System Study. Such Affected System Queue Position shall be assigned based upon the date of execution of the Affected System Study Agreement. Relative to Transmission Provider's Interconnection Customers, this Affected System Queue Position shall be higher-queued than any Cluster that has not yet received its Cluster Study Report and shall be lower-queued than any Cluster that has already received its Cluster Study Report. Consistent with Section 9.7 of this LGIP, Transmission Provider shall study the Affected System Interconnection Customer(s) via Clustering, and all Affected System Interconnection Customers studied in the same Cluster under Section 9.7 of this LGIP shall be equally queued. For Affected System Interconnection Customers that are equally queued, the Affected System Queue Position shall have no bearing on the assignment of Affected System Network Upgrades identified in the applicable

Affected System Study. The costs of the Affected System Network Upgrades shall be allocated among the Affected System Interconnection Customers in accordance with Section 9.9 of this LGIP.

9.4 Affected System Study Agreement/Multiparty Affected System Study Agreement

Unless otherwise agreed, Transmission Provider shall provide to Affected System Interconnection Customer(s) an Affected System Study Agreement/Multiparty Affected System Study Agreement, in the form of Appendix 7 or Appendix 8 to this LGIP, as applicable, within ten (10) Business Days of Transmission Provider sharing the schedule for the Affected System Study per Section 9.2.1 of this LGIP.

Upon Affected System Interconnection Customer(s)' receipt of the Affected System Study Report, Affected System Interconnection Customer(s) shall compensate Transmission Provider for the actual cost of the Affected System Study. Any difference between the study deposit and the actual cost of the Affected System Study shall be paid by or refunded to the Affected System Interconnection Customer(s). Any invoices for the Affected System Study shall include a detailed and itemized accounting of the cost of the study. Affected System Interconnection Customer(s) shall pay any excess costs beyond the already-paid Affected System Study deposit or be reimbursed for any costs collected over the actual cost of the Affected System Study within thirty (30) Calendar Days of receipt of an invoice thereof. If Affected System Interconnection Customer(s) fail to pay such undisputed costs within the time allotted, it shall lose its Affected System Queue Position. Transmission Provider shall notify Affected System Interconnection Customer's host transmission provider of such failure to pay.

9.5 Execution of Affected System Study Agreement/Multiparty Affected System Study Agreement

Affected System Interconnection Customer(s) shall execute the Affected System Study Agreement/Multiparty Affected System Study Agreement, deliver the executed Affected System Study Agreement/Multiparty Affected System Study Agreement to Transmission Provider, and provide the Affected System Study deposit within ten (10) Business Days of receipt. If Transmission Provider notifies Affected System Interconnection Customer(s) that it will delay the Affected System Study pursuant to Section 9.2.2 of this LGIP, Affected System Interconnection Customer(s) are neither required to execute and return the previously tendered Affected System Study/Multiparty Affected System Study Agreement nor provide the Affected System Study deposit for the previously tendered Affected System Study/Multiparty Affected System Study Agreement.

If Affected System Interconnection Customer does not provide all required technical data when it delivers the Affected System Study Agreement/Multiparty Affected System Study Agreement, Transmission Provider shall notify the deficient Affected System Interconnection Customer, as well as the host transmission provider with which Affected System Interconnection Customer seeks to interconnect, of the technical data deficiency within ten (10) Business Days of the receipt of the executed Affected System Study Agreement/Multiparty Affected System Study Agreement and the deficient Affected System Interconnection Customer shall cure the technical data deficiency within ten (10) Business Days of receipt of the notice: provided, however, that such deficiency does not include failure to deliver the executed Affected System Study Agreement/Multiparty Affected System Study Agreement or deposit for the Affected System Study Agreement/Multiparty Affected System Study Agreement. If Affected System Interconnection Customer does not cure the technical data deficiency within the cure period or fails to execute the Affected System Study Agreement/Multiparty Affected System Study Agreement or provide the deposit, the Affected System Interconnection Customer shall lose its Affected System Queue Position.

9.6 Scope of Affected System Study

The Affected System Study shall evaluate the impact that any Affected System Interconnection Customer's proposed interconnection to another transmission provider's transmission system will have on the reliability

of Transmission Provider's Transmission System. The Affected System Study shall consider the Base Case as well as all Generating Facilities (and with respect to (iii) below, any identified Affected System Network Upgrades associated with such higher-queued Interconnection Request) that, on the date the Affected System Study is commenced: (i) are directly interconnected to Transmission Provider's Transmission System; (ii) are directly interconnected to another transmission provider's transmission system and may have an impact on Affected System Interconnection Customer's interconnection request; (iii) have a pending higher-queued Interconnection Request to interconnect to Transmission Provider's Transmission System; and (iv) have no queue position but have executed an LGIA or requested that an unexecuted LGIA be filed with FERC. Transmission Provider has no obligation to study impacts of Affected System Interconnection Customers of which it is not notified.

The Affected System Study shall consist of a power flow, stability, and short circuit analysis. The Affected System Study Report will: state the assumptions upon which it is based; state the results of the analyses; and provide the potential impediments to Affected System Interconnection Customer's receipt of interconnection service on its host transmission provider's transmission system, including a preliminary indication of the cost and length of time that would be necessary to correct any problems identified in those analyses and implement the interconnection. For purposes of determining necessary Affected System Network Upgrades, the Affected System Study shall consider the level of interconnection service requested in megawatts by Affected System Interconnection Customer, unless otherwise required to study the full generating facility capacity due to safety or reliability concerns. The Affected System Study Report shall provide a list of facilities that are required as a result of Affected System Interconnection Customer's proposed interconnection to another transmission provider's system, a non-binding good faith estimate of cost responsibility, and a non-binding good faith estimated time to construct. The Affected System Study may consist of a system impact study, a facilities study, or some combination thereof.

9.7 Affected System Study Procedures

Transmission Provider shall use Clustering in conducting the Affected System Study and shall use existing studies to the extent practicable, when multiple Affected System Interconnection Customers that are part of a single Cluster may cause the need for Affected System Network Upgrades. Transmission Provider will endeavor to complete the Affected System Study and provide the Affected System Study Report to Affected System Interconnection Customer(s) and the host transmission provider with whom interconnection has been requested within one hundred fifty (150) Calendar Days after the receipt of the Affected System Study Agreement and deposit.

At the request of Affected System Interconnection Customer, Transmission Provider shall notify Affected System Interconnection Customer as to the status of the Affected System Study. If Transmission Provider is unable to complete the Affected System Study within the specified time period, it shall notify Affected System Interconnection Customer(s), as well as transmission provider with which Affected System Interconnection Customer seeks to interconnect, and shall provide an estimated completion date with an explanation of the reasons why additional time is required. Upon request, Transmission Provider shall provide Affected System Interconnection Customer(s) with all supporting documentation, workpapers and relevant power flow, short circuit and stability databases for the Affected System Study, subject to confidentiality arrangements consistent with Section 13.1 of this LGIP.

Transmission Provider must study an Affected System Interconnection Customer using the Energy Resource Interconnection Service modeling standard used for Interconnection Requests on its own Transmission System, regardless of the level of interconnection service that Affected System Interconnection Customer is seeking from the host transmission provider with whom it seeks to interconnect.

9.8 Meeting with Transmission Provider

Within ten (10) Business Days of providing the Affected System Study Report to Affected System Interconnection Customer(s), Transmission Provider and Affected System Interconnection Customer(s) shall meet to discuss the results of the Affected System Study.

9.9 Affected System Cost Allocation

Transmission Provider shall allocate Affected System Network Upgrade costs identified during the Affected System Study to Affected System Interconnection Customer(s) using a proportional impact method, consistent with Section 4.2.1(1)(b) of this LGIP.

9.10 Tender of Affected Systems Facilities Construction Agreement/Multiparty Affected System Facilities Construction Agreement

Transmission Provider shall tender to Affected System Interconnection Customer(s) an Affected System Facilities Construction Agreement/Multiparty Affected System Facilities Construction Agreement, as applicable, in the form of Appendix 9 or 10 to this LGIP, within thirty (30) Calendar Days of providing the Affected System Study Report. Within ten (10) Business Days of the receipt of the Affected System Facilities Construction Agreement/Multiparty Affected System Facilities Construction Agreement, the Affected System Interconnection Customer(s) must execute the agreement. Transmission Provider shall execute the agreement within ten (10) Business Days after receiving direction from Affected System Interconnection Customer(s). Affected System Interconnection Customer's failure to execute the Affected System Facilities Construction Agreement/Multiparty Affected System Facilities Construction Agreement, shall result in the loss of its Affected System Queue Position.

9.11 Restudy

If restudy of the Affected System Study is required, Transmission Provider shall notify Affected System Interconnection Customer(s) in writing within thirty (30) Calendar Days of discovery of the need for restudy. Transmission Provider will endeavor to complete such restudy within sixty (60) Calendar Days from the date of notice. Any cost of restudy shall be borne by the Affected System Interconnection Customer(s) being restudied.

10. Optional Interconnection Study

10.1 Optional Interconnection Study Agreement

On or after the date when Interconnection Customer receives Cluster Study results, Interconnection Customer may request, and Transmission Provider shall perform a reasonable number of Optional Interconnection Studies. The request shall describe the assumptions that Interconnection Customer wishes Transmission Provider to study within the scope described in Section 10.2 of this LGIP. Within twenty (20) Business Days after receipt of a request for an Optional Interconnection Study, Transmission Provider shall provide to Interconnection Customer an Optional Interconnection Study Agreement in the form of Appendix 4.

The Optional Interconnection Study Agreement shall: (i) specify the technical data that Interconnection Customer must provide for each phase of the Optional Interconnection Study, (ii) specify Interconnection Customer's assumptions as to which Interconnection Requests with earlier queue priority dates will be excluded from the Optional Interconnection Study case and assumptions as to the type of Interconnection Service for Interconnection Requests remaining in the Optional Interconnection Study case, and (iii) Transmission Provider's estimate of the cost of the Optional Interconnection Study. To the extent known by Transmission Provider, such estimate shall include any costs expected to be incurred by any Affected System Operator whose participation is necessary to complete the Optional Interconnection Study. Notwithstanding the above, Transmission Provider shall not be required as a result of an Optional Interconnection Study request to conduct any additional Interconnection Studies with respect to any other Interconnection Request.

Interconnection Customer shall execute the Optional Interconnection Study Agreement within ten (10) Business Days of receipt and deliver the Optional Interconnection Study Agreement, the technical data and a \$10,000 deposit to Transmission Provider. Based on the complexity of the requested optional study, Transmission Provider may specify a different required deposit in the Optional Interconnection Study Agreement. If Transmission Provider specifies a different deposit, Transmission Provider will provide an explanation in writing to Interconnection Customer.

10.2 Scope of Optional Interconnection Study

The Optional Interconnection Study will consist of a sensitivity analysis based on the assumptions specified by Interconnection Customer in the Optional Interconnection Study Agreement. The Optional Interconnection Study will also identify Transmission Provider's Interconnection Facilities and the Network Upgrades, and the estimated cost thereof, that may be required to provide transmission service or Interconnection Service based upon the results of the Optional Interconnection Study. The Optional Interconnection Study shall be performed solely for informational purposes. Transmission Provider shall use Reasonable Efforts to coordinate the study with any Affected Systems that may be affected by the types of Interconnection Services that are being studied. Transmission Provider shall utilize existing studies to the extent practicable in conducting the Optional Interconnection Study.

10.3 Optional Interconnection Study Procedures

The executed Optional Interconnection Study Agreement, the prepayment, and technical and other data called for therein must be provided to Transmission Provider within ten (10) Business Days of Interconnection Customer receipt of the Optional Interconnection Study Agreement. Transmission Provider shall use Reasonable Efforts to complete the Optional Interconnection Study within a mutually agreed upon time period specified within the Optional Interconnection Study Agreement. If Transmission Provider is unable to complete the Optional Interconnection Study within such time period, it shall notify Interconnection Customer and provide an estimated completion date and an explanation of the reasons why additional time is required. Any difference between the study payment and the actual cost of the study shall be paid to Transmission Provider or refunded to Interconnection Customer, as appropriate. Upon request, Transmission Provider shall provide Interconnection Customer supporting documentation and workpapers and databases or data developed in the preparation of the Optional Interconnection Study, subject to confidentiality arrangements consistent with Section 13.1 of this LGIP.

11. Standard Large Generator Interconnection Agreement (LGIA)

11.1 Tender

Interconnection Customer shall tender comments on the draft Interconnection Facilities Study Report within thirty (30) Calendar Days of receipt of the report. Within sixty (60) Calendar Days after the comments are submitted or after Interconnection Customer notifies Transmission Provider that it will not provide comments, Transmission Provider shall tender a draft LGIA, together with draft appendices. The draft LGIA shall be in the form of Transmission Provider's standard form LGIA, which is in Appendix 5. Interconnection Customer shall execute and return the LGIA and completed draft appendices within thirty (30) Calendar Days, unless (1) the sixty (60) Calendar Day negotiation period under Section 11.2 of this LGIP has commenced, or (2) LGIA execution, has been delayed to await the Affected System Study Report pursuant to Section 11.2.1 of this LGIP.

11.2 Negotiation

Notwithstanding Section 11.1 of this LGIP, at the request of Interconnection Customer, Transmission Provider shall begin negotiations with Interconnection Customer concerning the appendices to the LGIA at any time after Interconnection Customer executes the Interconnection Facilities Study Agreement.

Transmission Provider and Interconnection Customer shall negotiate concerning any disputed provisions of the appendices to the draft LGIA for not more than sixty (60) Calendar Days after tender of the final Interconnection Facilities Study Report. If Interconnection Customer determines that negotiations are at an impasse, it may request termination of the negotiations at any time after tender of the draft LGIA pursuant to Section 11.1 of this LGIP and request the initiation of Dispute Resolution procedures pursuant to Section 13.5 of this LGIP. If Interconnection Customer requests termination of the negotiations, but within sixty (60) Calendar Days thereafter fails to request the initiation of Dispute Resolution, it shall be deemed to have withdrawn its Interconnection Request. Unless otherwise agreed by the Parties, if Interconnection Customer has not executed the LGIA, or requested the initiation of Dispute Resolution procedures pursuant to Section 13.5 of this LGIP within sixty (60) Calendar Days of tender of draft LGIA, it shall be deemed to have withdrawn its Interconnection Request. Transmission Provider shall provide to Interconnection Customer a final LGIA within thirty (30) Business Days after the completion of the negotiation process.

11.2.1 Delay in LGIA Execution to Await Affected System Study Report

If Interconnection Customer has not received its Affected System Study Report from the Affected System Operator prior to the date that it would be required to execute its LGIA pursuant to Section 11.1 of this LGIP, Transmission Provider shall, upon request of Interconnection Customer, extend this deadline to thirty (30) Calendar Days after Interconnection Customer's receipt of the Affected System Study Report. If Interconnection Customer, after delaying LGIA execution to await Affected System Study Report, decides to proceed to LGIA execution without those results, it may notify Transmission Provider of its intent to proceed with LGIA execution pursuant to Section 11.1 of this LGIP. If Transmission Provider determines that further delay to the LGIA execution date would cause a material impact on the cost or timing of an equal- or lower-queued Interconnection Customer, Transmission Provider must notify Interconnection Customer of such impacts and set the deadline to execute the LGIA to thirty (30) Calendar Days after such notice is provided.

11.3 Execution

Simultaneously with submitting the executed LGIA to Transmission Provider, Interconnection Customer shall provide Transmission Provider with the following (1) demonstration of continued Site Control pursuant to Section 8.1(2) of this LGIP; and (2) the LGIA Deposit equal to twenty percent (20%) of Interconnection Customer's estimated Network Upgrade costs identified in the draft LGIA minus the total amount of Commercial Readiness Deposits that Interconnection Customer has provided to Transmission Provider for its Interconnection Request. Transmission Provider shall use LGIA Deposit as (or as a portion of) Interconnection Customer's security required under LGIA Section 11.5. Interconnection Customer may not request to suspend its LGIA under LGIA Section 5.12 until Interconnection Customer has provided (1) and (2) to Transmission Provider. If Interconnection Customer fails to provide (1) and (2) to Transmission Provider within the thirty (30) Calendar Days allowed for returning the executed LGIA and appendices under LGIP Section 11.1, the Interconnection Request will be deemed withdrawn pursuant to Section 3.7 of this LGIP.

At the same time, Interconnection Customer also shall provide reasonable evidence that one or more of the following milestones in the development of the Large Generating Facility, at Interconnection Customer election, has been achieved (unless such milestone is inapplicable due to the characteristics of the Generating Facility): (i) the execution of a contract for the supply or transportation of fuel to the Large Generating Facility; (ii) the execution of a contract for the supply of cooling water to the Large Generating Facility; (iii) execution of a contract for the engineering for, procurement of major equipment for, or construction of, the Large Generating Facility; (iv) execution of a contract (or comparable evidence) for the sale of electric energy or capacity from the Large Generating Facility; or (v) application for an air, water, or land use permit.

Transmission Provider will provide the executable version of the Standard Large Generator Interconnection Agreement and Interconnection Customer shall execute by electronic signature.

11.4 Commencement of Interconnection Activities

Upon Execution by Interconnection Customer of the final LGIA, Transmission Provider and Interconnection Customer shall perform their respective obligations in accordance with the terms of the LGIA.

11.5 Facilities Operation and Maintenance

The LGIA will set forth funding required, if any, for long-term operations and maintenance associated with the interconnection.

Ownership of installed facilities is determined on a case-by-case basis. However, Transmission Provider generally retains operation and dispatching authority of facilities that Transmission Provider does not own but considers to be an integral part of the Transmission Provider Transmission System.

Transmission Provider reserves the right to approve Transmission System changes at the tap, substation, or interconnection that affect operation of Transmission Provider facilities, including interconnecting with facilities of a third entity.

11.6 Environmental Requirements and Cultural Reviews

The Natural and Cultural Resource Review Process or NCCRP is a project review process conducted by Transmission Provider, or its designee, to ensure compliance with environmental permitting, land use permitting, and cultural resources.

Costs associated with environmental and cultural studies, including costs associated with an NCCRP will be funded as part of the LGIA.

Transmission Provider is required to assess the potential environmental impacts of any proposed interconnection in accordance with the State Environmental Policy Act (SEPA) and other environmental regulations. Interconnection Customers are advised to consult with Transmission Provider as early as possible in the planning process to obtain guidance with respect to the appropriate level and scope of any studies or environmental information that Transmission Provider requires. The Washington State Department of Ecology's SEPA requires that Transmission Provider begin environmental review as soon as practicable. The nature of the interconnection request will dictate the level of SEPA compliance required.

The environmental review process can range from a categorical exclusion to a comprehensive environmental impact statement, including the required public process for such a statement. The cultural review process can possibly be short, depending on preliminary findings. Findings may also rule the project as non-viable or require substantial archaeological studies for significant cultural sites. The environmental and cultural review process uses input from previous and other ongoing studies and construction planning processes. Continuation of the interconnection process at any and every step is contingent upon favorable environmental and cultural review.

If the Interconnection Request does not involve integration of a new source of generation into Transmission Provider transmission facilities, change the operation limits of existing generation, provide service to new discrete loads, or cause major system changes and there are no adverse impacts identified, Transmission Provider may be able to prepare a categorical exclusion for the interconnection. This process can take up to six months to complete, depending on the scope of the interconnection. If the interconnection does involve any of the actions mentioned above, the environmental review process may take 18 months or more, depending on the scope of the interconnection. If Transmission Provider determines that an environmental

assessment (EA) or an environmental impact statement (EIS) is required, Transmission Provider may prepare the EA or EIS and, if necessary, use a contractor selected by Transmission Provider. If an EA is prepared, one result may be a determination that an EIS is necessary (in the case that significant impacts may occur or controversy is likely), thus extending the time to complete SEPA compliance.

Transmission Provider may participate in the environmental process of another Federal, State, or local agency involved with a project to satisfy portions of its SEPA requirements. Environmental reviews and related studies conducted by other agencies cannot, however, be routinely adopted. They must meet the standards placed upon Transmission Provider by SEPA or other governmental agency procedures.

11.7 Land Acquisition and Land Use Permitting Requirements

Land acquisition and land use permitting will be included in the LGIA. This work involves initiating research of property ownership and zoning, title search and determination, legal land surveys, preparation of legal descriptions and documents, and appraisals. The process may extend through the completion of construction. Typically, negotiations between Transmission Provider, Interconnection Customer and/or affected landowners do not begin until the environmental record of decision or finding of no significant impact is complete, prior to construction.

If the interconnecting facilities are to be owned by Transmission Provider, then any new land rights necessary for the interconnection must be owned by Transmission Provider. Transmission Provider typically conducts all land acquisition and land use permitting activities, including title search and determination, legal land surveys, preparation of legal documents, title insurance, appraisals, negotiations, payment and recording of documents in the County Auditor's Office. Projects may also require damage resolution with landowners following construction. All land rights must be acquired pursuant to Federal, State, County and local laws governing acquisition of real property and land use permits, which is particularly important when other Federal, State and institutional lands are affected by the interconnection.

In certain circumstances, Transmission Provider may determine that Interconnection Customer is capable of performing the necessary land rights and land use permit activities. When this is the case, Transmission Provider will coordinate closely with Interconnection Customer to ensure proper procedures are followed, and that the proper land rights and land use permits are obtained. Agreements concerning land acquisition issues such as fee or easement, right-of-way width, and title acceptability must be reached between Transmission Provider and Interconnection Customer before any land rights are acquired and transferred to Transmission Provider.

12. Construction of Transmission Provider's Interconnection Facilities and Network Upgrades

12.1 Schedule

Transmission Provider and Interconnection Customer shall negotiate in good faith concerning a schedule for the construction of Transmission Provider's Interconnection Facilities and the Network Upgrades.

12.2 Construction Sequencing

12.2.1 General

In general, the In-Service Date of an Interconnection Customer seeking interconnection to the Transmission System will determine the sequence of construction of Network Upgrades.

12.2.2 Advance Construction of Network Upgrades that are an Obligation of an Entity other than Interconnection Customer

An Interconnection Customer with an LGIA, in order to maintain its In-Service Date, may request that Transmission Provider advance to the extent necessary the completion of Network Upgrades that: (i) were assumed in the Interconnection Studies for such Interconnection Customer, (ii) are necessary to support such In-Service Date, and (iii) would otherwise not be completed, pursuant to a contractual obligation of an entity other than Interconnection Customer that is seeking interconnection to the Transmission System, in time to support such In-Service Date. Upon such request, Transmission Provider will use Reasonable Efforts to advance the construction of such Network Upgrades to accommodate such request; provided that Interconnection Customer commits to pay Transmission Provider: (i) any associated expediting costs and (ii) the cost of such Network Upgrades. Transmission Provider will refund to Interconnection Customer both the expediting costs and the cost of Network Upgrades, in accordance with Section 11.4 of the LGIA. Consequently, the entity with a contractual obligation to construct such Network Upgrades shall be obligated to pay only that portion of the costs of the Network Upgrades that Transmission Provider has not refunded to Interconnection Customer. Payment by that entity shall be due on the date that it would have been due had there been no request for advance construction. Transmission Provider shall forward to Interconnection Customer the amount paid by the entity with a contractual obligation to construct the Network Upgrades as payment in full for the outstanding balance owed to Interconnection Customer. Transmission Provider then shall refund to that entity the amount that it paid for the Network Upgrades, in accordance with Section 11.4 of the LGIA.

12.2.3 Advancing Construction of Network Upgrades that are Part of an Expansion Plan of Transmission Provider

An Interconnection Customer with an LGIA, in order to maintain its In-Service Date, may request that Transmission Provider advance to the extent necessary and feasible the completion of Network Upgrades that: (i) are necessary to support such In-Service Date and (ii) would otherwise not be completed, pursuant to an expansion plan of Transmission Provider, in time to support such In-Service Date. Upon such request, Transmission Provider will use Reasonable Efforts to advance the construction of such Network Upgrades to accommodate such request; provided that Interconnection Customer commits to pay Transmission Provider any associated expediting costs. Interconnection Customer shall be entitled to transmission credits, if any, for any expediting costs paid.

12.2.4 Amended Interconnection Cluster Study Report

An Interconnection Cluster Study Report will be amended to determine the facilities necessary to support the requested In-Service Date. This amended study report will include those transmission and Large Generating Facilities that are expected to be in service on or before the requested In-Service Date.

13. Miscellaneous

13.1 Confidentiality

Confidential Information shall include, without limitation, all information designated as Critical Energy/Electric Infrastructure (CEII) Information, 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 an 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 Section 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.

By signing an agreement with Transmission Provider related to the LGIP, both Parties expressly acknowledges and agrees that neither Party will disclose to third parties (except as expressly set forth herein), without the written consent of the other Party, any information developed or obtained in connection with the performance of the LGIA, and, if requested by the other Party, to require its employees and subcontractors, if any, to execute a non-disclosure agreement prior to performing any services under the LGIA.

If either Party is subject to the Washington Public Records Act, Chapter 42.56 RCW ("PRA"), and a disclosure of Confidential Information is required to be made by pursuant to the PRA, such disclosure shall not be deemed a violation of this Section 13, provided that the Party receiving the request has, so far as it is lawful and practical to do so prior to such disclosure: (a) promptly notified the other Party in writing of such, request, order, or requirement; (b) provided a reasonable opportunity for the other Party to seek an appropriate protective order; and (c) cooperated with other Party to narrow the scope of such disclosure to only that portion of the Confidential Information that is necessary to fulfill the request.

13.1.1 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 the LGIA; or (6) is required, in accordance with Section 13.1.6 of this LGIP, 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 the 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.

13.1.2 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), employees, consultants, or to parties who may be or considering providing financing to or equity participation with Interconnection Customer, or to potential purchasers or assignees of Interconnection Customer, on a need-to-know basis in connection with these procedures, unless such person has first been advised of the confidentiality provisions of this Section 13.1 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 Section 13.1.

13.1.3 Rights

Each Party retains all rights, title, and interest in the Confidential Information that each Party discloses to the other Party. The disclosure by each Party to the other Party of Confidential

Information shall not be deemed a waiver by either Party or any other person or entity of the right to protect the Confidential Information from public disclosure.

13.1.4 No Warranties

By providing Confidential Information, neither Party makes any warranties or representations as to its accuracy or completeness. In addition, by supplying Confidential Information, neither Party obligates itself to provide any particular information or Confidential Information to the other Party nor to enter into any further agreements or proceed with any other relationship or joint venture.

13.1.5 Standard of Care

Each Party shall use at least the same standard of care to protect Confidential Information it receives as it uses to protect its own Confidential Information from unauthorized disclosure, publication or dissemination. Each Party may use Confidential Information solely to fulfill its obligations to the other Party under these procedures or its regulatory requirements.

13.1.6 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, public records request, or otherwise, to disclose Confidential Information, that Party shall use reasonable efforts to provide the other Party with 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 the 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.

13.1.7 Remedies

The Parties agree that monetary damages would be inadequate to compensate a Party for the other Party's Breach of its obligations under this Section 13.1. Each Party accordingly agrees that the other Party shall be entitled to equitable relief, by way of injunction or otherwise, if the first Party Breaches or threatens to Breach its obligations under this Section 13.1, which equitable relief shall be granted without bond or proof of damages, and the receiving Party shall not plead in defense that there would be an adequate remedy at law. Such remedy shall be deemed an exclusive remedy for the Breach of this Section 13.1. The Parties further acknowledge and agree that the covenants contained herein are necessary for the protection of legitimate business interests and are reasonable in scope. No Party, however, shall be liable for indirect, incidental, or consequential or punitive damages of any nature or kind resulting from or arising in connection with this Section 13.1.

13.1.8 Disclosure

Any information that a Party claims is competitively sensitive, commercial or financial information ("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 LGIP or as a transmission service provider or a Balancing Authority Area operator including disclosing the Confidential Information to an RTO or ISO or to a subregional,

regional or national reliability organization or planning group. The Party asserting confidentiality shall notify the other Party in writing of the information it claims is confidential. Prior to any disclosures of the other Party's Confidential Information under this subparagraph, or if any third party or Governmental Authority makes any request or demand for any of the information described in this subparagraph, the disclosing Party agrees to promptly notify the other Party in writing and agrees to assert confidentiality and cooperate with the other Party in seeking to protect the Confidential Information from public disclosure by confidentiality agreement, protective order or other reasonable measures.

13.1.9 Public Domain

This provision shall not apply to any information that was or is hereafter in the public domain (except as a result of a Breach of this provision).

13.1.10 Confidential Information No Longer Needed

Transmission Provider shall, at Interconnection Customer's election, destroy, in a confidential manner, or return the Confidential Information provided at the time of Confidential Information is no longer needed.

13.2 Delegation of Responsibility

Transmission Provider may use the services of subcontractors as it deems appropriate to perform its obligations under this LGIP. Transmission Provider shall remain primarily liable to Interconnection Customer for the performance of such subcontractors and compliance with its obligations of this LGIP. The subcontractor shall keep all information provided confidential and shall use such information solely for the performance of such obligation for which it was provided and no other purpose.

13.3 Obligation for Study Costs

In the event an Interconnection Customer withdraws its Interconnection Request prior to the commencement of the Cluster Study, Interconnection Customer must pay Transmission Provider the actual costs of processing its Interconnection Request.

In the event an Interconnection Customer withdraws after the commencement of the Cluster Study, Transmission Provider shall charge, and Interconnection Customer shall pay its allocated share of the actual costs of the Interconnection Studies. The costs of any interconnection study conducted on a clustered basis shall be allocated among each Interconnection Customer within the cluster as follows:

(1) Fifty percent (50%) of the applicable study costs to Interconnection Customers on a per capita basis based on the number of Interconnection Requests included in the applicable Cluster; and (2) fifty percent (50%) of the applicable study costs to Interconnection Customers on a pro-rata basis based on the total megawatts of Interconnection Service requested to be studied in the applicable Cluster. For example, the cost of a Cluster Study consisting of a 100MW request and a 400MW request would be allocated 35% to the 100 MW request and 65% to the 400MW request.

Any difference between the study deposit and the actual cost of the Interconnection Studies shall be paid by or refunded, except as otherwise provided herein, to Interconnection Customers. Any invoices for Interconnection Studies shall include a detailed and itemized accounting of the cost of each Interconnection Study. Interconnection Customers shall pay any such undisputed costs within thirty (30) Calendar Days of receipt of an invoice therefore. If Interconnection Customer fails to pay such undisputed costs within the time allotted, its Interconnection Request shall be deemed withdrawn from the Cluster Study Process and will be subject to Withdrawal Penalties pursuant to Section 3.7 of this LGIP.

13.4 Third Parties Conducting Studies

Transmission Provider may utilize third-party consultants to perform interconnection studies at its discretion.

In all cases, use of a third-party consultant shall be limited to situations where Transmission Provider determines that doing so will help maintain or accelerate the study process for Interconnection Customer's pending Interconnection Request and not interfere with Transmission Provider's progress on Interconnection Studies for other pending Interconnection Requests. Transmission Provider shall convey all workpapers, databases, study results and all other supporting documentation prepared to date with respect to the Interconnection Request as soon as practicable upon Interconnection Customer's request subject to the confidentiality provision in Section 13.1 of this LGIP. Any third-party consultant shall be required to comply with this LGIP and the relevant LGIP procedures and protocols as would apply if Transmission Provider were to conduct the Interconnection Study and shall use the information provided to it solely for purposes of performing such services and for no other purposes. Transmission Provider shall work with such third-party consultant and Interconnection Customer to complete and issue the Interconnection Study in the shortest reasonable time.

13.5 Disputes

13.5.1 Submission

In the event either Party has a dispute, or asserts a claim, that arises out of or in connection with these procedures, or their 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 LGIP.

13.5.2 External Arbitration Procedures

Any arbitration initiated under these procedures shall be conducted before a single neutral arbitrator appointed by the Parties. If the Parties fail to agree 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 taking into account any relevant FERC precedents, any applicable RTO or ISO rules; provided, however, in the event of a conflict between the Arbitration Rules and the terms of this Section 13, the terms of this Section 13 shall prevail.

13.5.3 Arbitration Decisions

Unless otherwise agreed by the Parties, the arbitrator(s) shall render a decision within ninety (90) Calendar Days of appointment and shall notify the Parties in writing of such decision and the

reasons therefore. The arbitrator(s) shall be authorized only to interpret and apply the provisions of these procedures and shall have no power to modify or change any provision of these procedures 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.

13.5.4 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.

13.6 Tax Exempt Bonds

13.6.1 Transmission Providers That Own Facilities Financed by Local Furnishing Bonds

The Transmission Provider utilizes state and federal income tax-exempt financial instruments on an ongoing basis to fund its transmission, including as described in Section 142(f) of the Internal Revenue Code ("local furnishing bonds"). Notwithstanding any other provision of the LGIA and this LGIP, Transmission Provider shall not be required to provide Interconnection Service to Interconnection Customer pursuant to the LGIA and this LGIP if the provision of such transmission service would jeopardize the tax-exempt status of any local furnishing bond(s) used to finance Transmission Provider's facilities that would be used in providing such Interconnection Service.

13.6.2 Alternative Procedures for Requesting Interconnection Service

If Transmission Provider determines that the provision of Interconnection Service requested by Interconnection Customer would jeopardize the tax-exempt status of any local furnishing bond(s) used to finance its facilities, it shall advise the Interconnection Customer and shall not be obligated to provide service.

Interconnection Customer thereafter may renew its request for interconnection using the processes in the Transmission Provider's LGIP.

13.7 Engineering & Procurement (E&P) Agreement

Prior to executing an LGIA, an Interconnection Customer may, in order to advance the implementation of its interconnection, request and Transmission Provider shall offer Interconnection Customer, an E&P Agreement that authorizes Transmission Provider to begin engineering and procurement of long lead-time items necessary for the establishment of the interconnection. However, Transmission Provider shall not be obligated to offer an E&P Agreement if Interconnection Customer is in Dispute Resolution as a result of an allegation that Interconnection Customer has failed to meet any milestones or comply with any prerequisites specified in other parts of the LGIP. The E&P Agreement is an optional procedure and it will not alter Interconnection Customer's Queue Position or In-Service Date. The E&P Agreement shall provide for Interconnection Customer to pay the cost of all activities authorized by Interconnection Customer and to make advance payments or provide other satisfactory security for such costs.

Interconnection Customer shall pay the cost of such authorized activities and any cancellation costs for equipment that is already ordered for its interconnection, which cannot be mitigated as hereafter described, whether or not such items or equipment later become unnecessary. If Interconnection Customer withdraws

its Interconnection Request or either Party terminates the E&P Agreement, to the extent the equipment ordered can be canceled under reasonable terms, Interconnection Customer shall be obligated to pay the associated cancellation costs. To the extent that the equipment cannot be reasonably canceled, Transmission Provider may elect: (i) to take title to the equipment, in which event Transmission Provider shall refund Interconnection Customer any amounts paid by Interconnection Customer for such equipment and shall pay the cost of delivery of such equipment, or (ii) to transfer title to and deliver such equipment to Interconnection Customer, in which event Interconnection Customer shall pay any unpaid balance and cost of delivery of such equipment.

13.8 No Payment of Interest

Transmission Provider will not pay any interest on funds held for any purpose unless the payment of interest is specified for a particular purpose in this LGIP or in an applicable agreement.

13.9 Reliability Requirements

Interconnection to Transmission Provider's transmission facilities will be consistent with Good Utility Practices. A proposed interconnection must not degrade the reliability or operating flexibility of the existing power system and must not cause Transmission Provider's Transmission System to violate NERC or WECC transmission system performance criteria, as specified in applicable reliability standards and technical guidance documents, nor the Transmission Provider Reliability Coordinator's System Operating Limit methodology requirements. The interconnection must comply with WECC standards, policies, and procedures. When involving Transmission Provider owned, operated or maintained facilities, the interconnection must also comply with Transmission Provider engineering design and operation criteria, including but not limited to the Transmission Provider's Transmission Planning Guidelines. Additionally, the interconnection must adhere to any regional planning or operating entities criteria in effect, and the criteria of other entities affected by the interconnection.

Interconnection Customer will be responsible for testing and reporting requirements in accordance with applicable NERC and WECC criteria and any similar standards of a successor organization to either NERC or WECC.

13.10 Safety and Security Requirements

When working on Transmission Provider property, Interconnection Customer shall perform work to comply with applicable safety laws, building and construction codes. These include provisions of applicable Federal, State, and local safety, health and/or industrial regulations or codes. In addition, Interconnection Customer must adhere to Transmission Provider's Contractor Safety Requirements.

If Interconnection Customer does not adhere to construction and safety requirements as required, Transmission Provider may issue an order to stop all or any part of the work until such time Interconnection Customer demonstrates compliance with the provision at issue. Interconnection Customer cannot make a claim for compensation or damage resulting from such work stoppage.

APPENDIX 1 – APPLICATION FOR INTERCONNECTION
Public Utility District No. 2 of Grant County, Washington

1.	Applicant's Legal Entity Name:			
2.	Applicant's Full Street Address (include state and zip):			
3.	Name of Contact:			
4.	Title of Contact:			
5.	Office and Mobile Numbers:			
6.	Email:			
7.	Name of Alternate Contact:			
8.	Title of Alternate Contact:			
9.	Alternate Contact Mailing Address (include state and zip):			
10.	Alternate Contact Office and Mobile Numbers:			
11.	Alternate Contact Email:			
12.	Proposed Date for Commercial Operation:			
13.	Name of Project or existing Generation Facility:			
14.	Fuel Type (one or more): ☐ Solar/PV ☐ Wind ☐ Natural Gas ☐ BESS ☐ Other: Please Indicate _____			
15.	Maximum Output Associated with the Interconnection Request. If the request is an increase the capacity of an existing Generating Facility, show the amount of the increase.			
	Generator: Summer _____ MW Winter _____ MW Storage Capacity: Summer _____ MW Winter _____ MW Inverter Capacity: Summer _____ MW Winter _____ MW Requested total capacity of Interconnection Service injecting to Grid _____ MW (This is the combined maximum of generation and storage simultaneous discharge)			
16.	Name, Title, Company, Address, Phone and E-mail of Authorized Interconnecting Contractor/Representative – if applicable:			

17.	Type of Interconnection Requested (mark all that apply):
	☐ Transmission Station ☐ Station Breaker Bay Additions(s) ☐ Additional Delivery Points(s) ☐ General Tie-Line(s) ☐ Other (please Specify)_____
18.	This Interconnection Request is for (check one):
	☐ A proposed new Generating Facility. ☐ An increase in the generating capacity or a Material Modification of an existing Generating Facility.
19.	The type of Interconnection service requested (check one): If you wish to have your Generation Facility studied for both types of Interconnection Service, check both boxes.
	☐ Energy Resource Interconnection Service (Please provide planned Point(s) of Delivery (POD)). ☐ Network Resource Interconnection Service
20.	Specific location of the proposed new or existing Generating Facility site, if known:
	Address or Parcel Numbers:
21.	Proposed Point of Interconnection – include references to relevant stations and/or transmission lines by name:
22.	Are you planning or required to use the EFSEC (WA State Energy Facility Site Evaluation Council) process? ☐ Yes ☐ No
23.	Applicable deposit amount as specified in the LGIP must be received by Transmission Provider for this application to be considered complete. A deposit of \$5,000 is included with this application.
	☐ Yes ☐ No
24.	Evidence of Site Control as specified in the LGIP (check one):
	☐ Is attached to this Interconnection request. ☐ Will be provided at a later date in accordance with the LGIP.
25.	Summary of Project: Include on a separate document a high-level description of the overall project requiring the interconnection including a general description of the equipment configuration. Include the purpose or objective of the project.
26.	Additional Information. Please check each box below for information that is supplied separate from this application form.
	☐ Single-line diagram(s) showing the proposed interconnection clearly indicating the Transmission Provider facility involved in the interconnection, including any relaying and metering facilities

- ☐ Drawing(s) indicating physical arrangements of existing and proposed facilities.
- ☐ Geographic location of the proposed interconnection, including maps showing land ownership and zoning - if available. If connecting to an existing transmission line, indicate adjacent structure numbers.
- ☐ Geographic location of the proposed road access routes to POI, including maps showing land ownership and zoning - if available.
- ☐ Description of the proposed routing, approximate lengths and conductor size of transmission line additions or modifications, and dimensions and configurations of new structures. Proposed transmission path(s) and service arrangements between resources and associated loads.
- ☐ Description of the generating resources or loads to be served by the interconnection and the proposed transmission path(s) and service arrangements between resources and associated loads, where applicable. The description should include the following:
 - a) Maximum power output or load requirements, including 10-year projections, by delivery points, of winter and summer peaks for loads served or generation supplied through the point of interconnection; and
 - b) Size, type and ratings of large equipment; and
 - c) Reliability and special operation requirements; impedance, frequency, voltage, real and reactive power and protective relaying characteristics of the interconnecting resource or load.
- ☐ Description and ratings of proposed transformers, winding connections, impedances, circuit breakers, switches, metering, associated communications relaying and other equipment to the extent this information is not included in either Attachment A or Attachment B.
- ☐ Appropriate revenue and telemetering equipment specifications. The data should include load control boundary metering, current and potential transformer ratios and register and contact initiator ratios with multipliers.
- ☐ Copies of relevant planning and operational studies, proposed construction schedule.
- ☐ Copies of relevant environmental impact assessments, permits, cultural reviews, reports, projections, or description of anticipated scope of the environmental or cultural review.
- ☐ Curves showing the active and reactive power capabilities on a single plot for the anticipated operating range of the generation facility and the storage facility, if applicable.
- ☐ Include Attachment A for Technical Information for Solar Generation Facilities.
- ☐ Include Attachment B or Technical Information for Generation Facilities other than Solar
- ☐ Include Information specified in Attachment C for all Non-Synchronous Generators

Completing this application does not qualify the Applicant for interconnection to Transmission Provider or for the receipt of transmission service from Transmission Provider.

Applicant's Signature: _____

Print Name: _____

Title: _____

Date: _____

Return completed application to:

Grant PUD
Attn: Transmission Services Manager
PO Box 878
Ephrata, WA 98823
TransmissionServices@gcpud.org

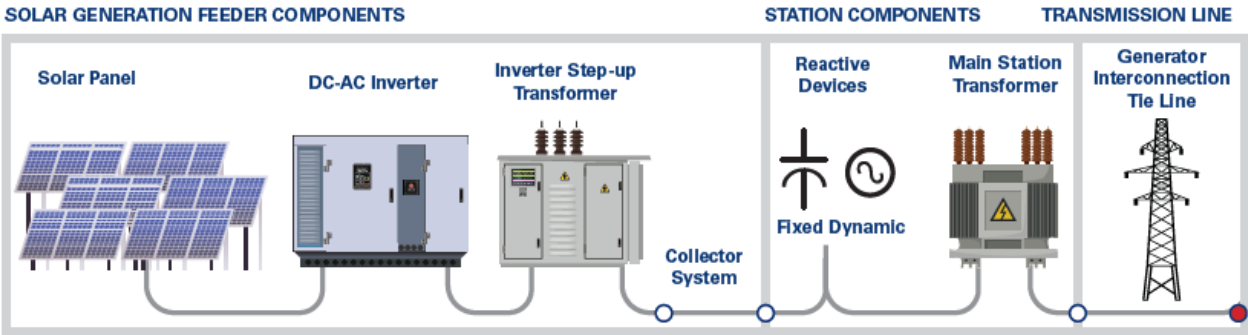
Please contact the Transmission Services Manager at Grant PUD to obtain instructions for electronic transfer of documents and funds.

DRAFT

Gross Generating Facility Capability (at Inverter Terminals): _____ MVA

1. Simplified One-Line Diagram

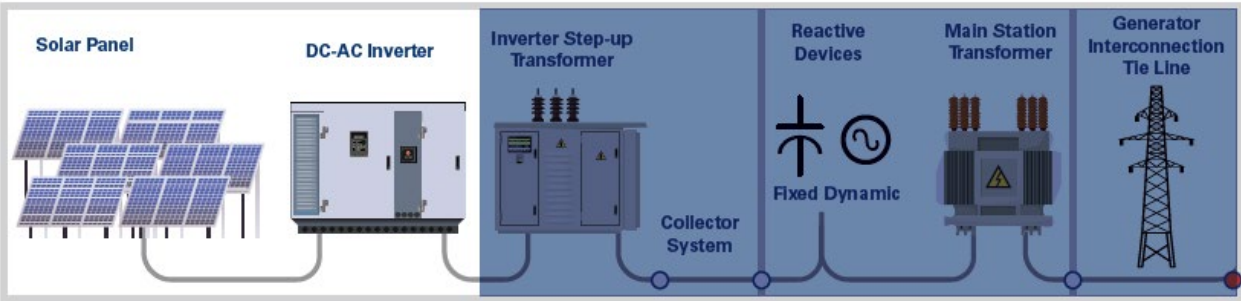
Typical solar interconnection arrangement:
(for illustration purpose only)



Other equipment, including battery and location, if applicable, not shown.

One-Line Diagram of Interconnection Customer’s proposed generator is attached. ☐ Attached

2. Solar Panel and Inverter Data



Battery Location, if applicable, not shown.

Solar Panel Data

Manufacturer:	
Model Name:	
Model No.	
Model Version:	
No. of Solar Panels:	
Type of photovoltaic system (Fixed or Tracked):	
Provide a summary of solar panel electrical data.	☐ Attached
Expected monthly peak generation profile.	☐ Attached

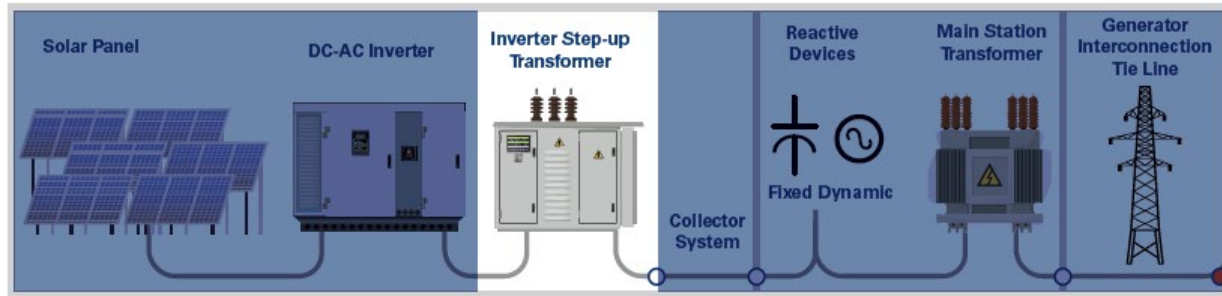
Inverter Data

Manufacturer:	
Model Name:	
Model No.	
Model Version:	
No. of Inverters:	
Nominal Voltage:	
Nameplate Rating:	_____ kW / _____ kVA
Describe inverter reactive capability:	
Inverter short circuit ratio limit:	
Provide the inverter specification sheet with reactive capability curve.	☐ Attached

Battery and Inverter Data

Description Battery interconnection:	
Manufacturer:	
Model Name:	
Model No.	
Model Version:	
No. of Inverters:	
Nominal Voltage:	
Nameplate Rating:	_____ kW / _____ kVA
Describe inverter reactive capability:	
Inverter short circuit ratio limit:	
Provide the inverter specification sheet with reactive capability curve.	☐ Attached
Maximum Charge Rate:	_____ MW
Maximum Storage:	_____ MWh

3. Inverter Step-Up Transformer



Number of inverter step-up transformers: _____

Provide data for either two-winding or three-winding transformer as appropriate

Two-Winding Inverter Step-Up Transformer Data (as applicable):

Nameplate Rating:	_____ MVA
Maximum Rating (if applicable):	_____ MVA
Nominal Voltage for each winding (Low/High):	_____ / _____ kV
Winding Connections (Low/High) Delta or Wye:	
Available taps:	
Load or no-load tap changer and location of tap changer:	_____ / _____ / _____ / _____ kV or _____ % _____ no. of taps
Positive sequence impedance (Z_1):	_____% , _____ X/R on MVA rating above
Zero sequence impedance (Z_0)	_____% , _____ X/R on MVA rating above

Three-Winding Inverter Step-Up Transformer Data (as applicable)

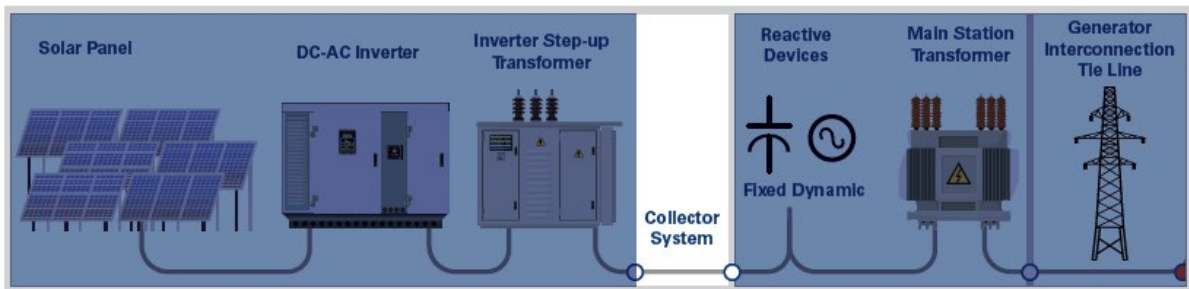
GSU connection and winding (attach diagram and mark to reference this form).

	H Winding Data	X Winding Data	Y Winding Data
Nameplate ratings (i.e. OA/FA/FA)	_____/_____/_____ MVA	_____/_____/_____ MVA	_____/_____/_____ MVA
Rated winding voltage base	_____ kV Delta or Wye connected	_____ kV Delta or Wye connected	_____ kV Delta or Wye connected
Tap positions available	_____/_____/_____ _____/_____/_____ _____ kV	_____/_____/_____ _____/_____/_____ _____ kV	_____/_____/_____ _____/_____/_____ _____ kV
Present Tap Setting (if applicable)	_____ kV	_____ kV	_____ kV
Solid or impedance grounding	_____ Ohms	_____ Ohms	_____ Ohms
BIL rating	_____ kV	_____ kV	_____ kV

Three-Winding Inverter Step-Up Transformer Impedance Data (as applicable)

	H-X Winding Data	H-Y Winding Data	X-Y Winding Data
Transformer Per-unit base	_____ MVA	_____ MVA	_____ MVA
Positive sequence impedance Z_1	_____ % _____ X/R	_____ % _____ X/R	_____ % _____ X/R
Zero sequence impedance Z_0	_____ % _____ X/R	_____ % _____ X/R	_____ % _____ X/R

4. Collector System Equivalent Model

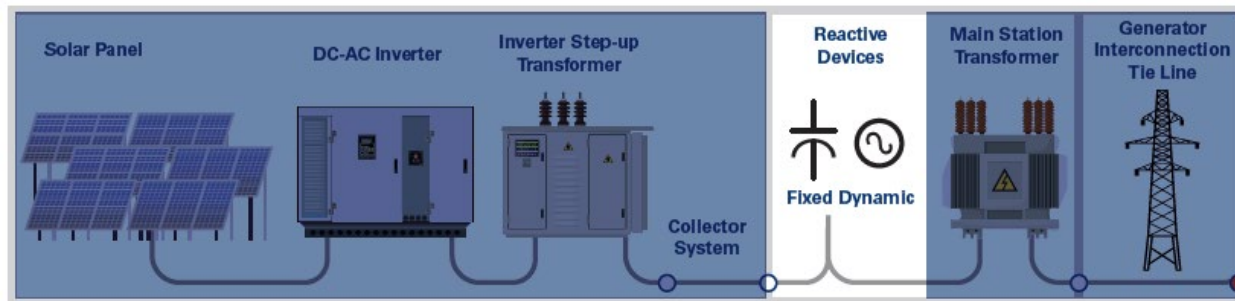


Provide either absolute or per unit impedance values.

Collector System Voltage:	_____ kV
Total Length of Collector System:	_____ Miles
Overhead or Underground Construction:	
Collector system equivalent model rating at 0°C/20°C/30°C/40°C/50°C ambient:	_____ / _____ / _____ / _____ / _____ MVA
R_1	_____ ohm or _____ pu on 100 MVA and line kV base (positive sequence)
X_1	_____ ohm or _____ pu on 100 MVA and line kV base (positive sequence)
B_1	_____ mF or _____ pu on 100 MVA and line kV base (positive sequence)
R_0	_____ ohm or _____ pu on 100 MVA and line kV base (zero sequence)
X_0	_____ ohm or _____ pu on 100 MVA and line kV base (zero sequence)
B_0	_____ mF or _____ pu on 100 MVA and line kV base (zero sequence)

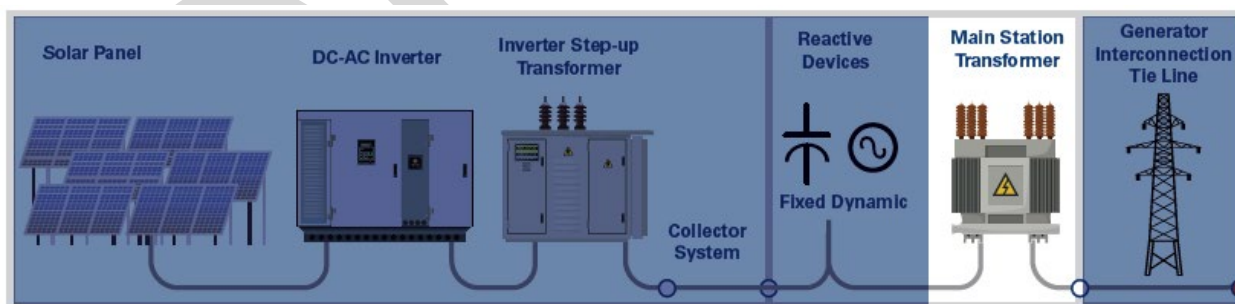
5. Station Reactive Compensation Devices (if applicable)

(This describes devices beyond the inverters built-in reactive capability)



Type of Reactive Compensation Device(s) (Fixed or Dynamic):	
Individual Fixed Shunt Reactive Device Type:	
No. and size of each:	_____ x _____ MVA
Dynamic reactive control device (e.g., SVC, STATCOM):	
Control range at rated MW output:	_____ MVAR (lead and lag)
Control Mode:	☐ Voltage, maintained within Grant PUD's voltage schedule
Regulation Point:	☐ High side of main station transformer
Describe the overall reactive power control strategy:	

6. Main Station Transformer



Number of main transformers: _____

Provide data for either two-winding or three-winding transformer as appropriate.

Two-Winding Main Transformer Data (as applicable)

Nameplate Rating (OA/FA/FA):	____ / ____ / ____ MVA
Nominal Voltage for Each Winding (Low/High):	____ / ____ kV
Winding Connections (Low/High) Delta or Wye:	
Available tap positions:	____ / ____ / ____ / ____ / ____ kV or ____ % ____ no. of taps
Load or no-load tap changer and location of tap changer:	
Positive sequence impedance (Z_1):	____ %, ____ X/R on self-cooled (OA) MVA rating above.
Zero sequence impedance (Z_0)	____ %, ____ X/R on self-cooled (OA) MVA rating above.

Three-Winding Main Transformer Data (as applicable)

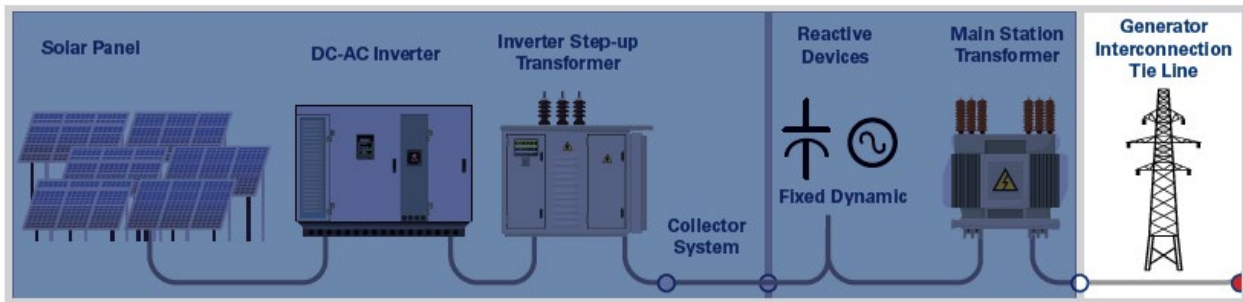
GSU connection and winding (attach diagram and mark to reference this form).

	H Winding Data	X Winding Data	Y Winding Data
Full load ratings (i.e. OA/FA/FA)	____ / ____ / ____ MVA	____ / ____ / ____ MVA	____ / ____ / ____ MVA
Rated winding voltage base	____ kV Delta or Wye connected	____ kV Delta or Wye connected	____ kV Delta or Wye connected
Tap positions available	____ / ____ / ____ ____ kV	____ / ____ / ____ ____ kV	____ / ____ / ____ ____ kV
Present Tap Setting (if applicable)	____ kV	____ kV	____ kV
Solid or impedance grounding	____ Ohms	____ Ohms	____ Ohms
BIL rating	____ kV	____ kV	____ kV

Three-Winding Inverter Step-Up Transformer Impedance Data (as applicable)

	H-X Winding Data	H-Y Winding Data	X-Y Winding Data
Transformer Per-unit base	____ MVA	____ MVA	____ MVA
Positive sequence impedance Z_1	____ % ____ X/R	____ % ____ X/R	____ % ____ X/R
Zero sequence impedance Z_0	____ % ____ X/R	____ % ____ X/R	____ % ____ X/R

7. Generator Interconnection Tie Line



Provide either absolute or per unit impedance values.

Point of Interconnection (utility station/line name):	
Line Voltage:	_____ kV
Line Length:	_____ Miles
Overhead or Underground Construction:	
Line rating at 0°C/20°C/30°C/40°C/50°C ambient:	_____ / _____ / _____ / _____ / _____ MVA
R ₁	_____ ohm or _____ pu on 100 MVA and line kV base (positive sequence)
X ₁	_____ ohm or _____ pu on 100 MVA and line kV base (positive sequence)
B ₁	_____ mF or _____ pu on 100 MVA and line kV base (positive sequence)
R ₀	_____ ohm or _____ pu on 100 MVA and line kV base (zero sequence)
X ₀	_____ ohm or _____ pu on 100 MVA and line kV base (zero sequence)
B ₀	_____ mF or _____ pu on 100 MVA and line kV base (zero sequence)

8. Dynamic Modeling Data

Provide with this form the WECC approved (and if applicable, recommended) standard dynamic models for generation facilities, including any additional dynamic reactive control devices.

- ☐ Models Attached, including the power system model in a text-editable format.
- Include plant volt/var control function model and active power/frequency control function model.
 - All the associated files for dynamic modeling should be in a format consistent with NERC's Reliability Guidelines (BPS--Connected Inverter-Based Resource Performance), the document produced by NERC by this title, or its

successor document, which contain guidelines for the operation of inverter-based resources. The files must be shareable on an interconnection-wide basis to support use in the interconnection-wide cases.

- Model parameters for inverters shall include:
 - Voltage response and ride-thru settings.
 - Frequency response and ride-thru settings.
 - Control mode (voltage control for POI >100 kV, power factor control for POI < 100 kV).
 - Any plant-level real power limits.

Grant PUD requires the solar installation to align with the recommended performance characteristics and other recommendations related to inverter-based resource performance, analysis, and modeling as identified by NERC's Inverter-Based Resource Performance Joint Task Force and to conform to all NERC requirements.

9. Data Revisions

If submitting revised data, record the date and a summary of the sections that have been updated:

Date	Revision Summary

UNIT RATINGS

kVA		°F	
Voltage		Power Factor	
Speed (RPM)		Connection (e.g., Wye)	
Short Circuit Ratio		Frequency, Hertz	
Stator Amperes at Rated kVA		Field Volts	
Max Turbine MW		°F	
Primary frequency response operating range for electric storage resources:			
Minimum State of Charge: _____			
Maximum State of Charge: _____			

COMBINED TURBINE-GENERATOR-EXCITER INERTIA DATA

Inertia Constant, H	_____ kW sec/kVA
Moment-of-Inertia, WR ²	_____ lb. ft. ²

REACTANCE DATA (PER UNIT-RATED KVA)

	DIRECT AXIS QUADRATURE AXIS	
Synchronous – saturated	X _{dv} _____	X _{qv} _____
Synchronous – unsaturated	X _{di} _____	X _{qi} _____
Transient – saturated	X' _{dv} _____	X' _{qv} _____
Transient – unsaturated	X' _{di} _____	X' _{qi} _____
Subtransient – saturated	X'' _{dv} _____	X'' _{qv} _____
Subtransient – unsaturated	X'' _{di} _____	X'' _{qi} _____
Negative Sequence – saturated	X _{2v} _____	
Negative Sequence – unsaturated	X _{2i} _____	
Zero Sequence – saturated	X _{0v} _____	
Zero Sequence – unsaturated	X _{0i} _____	
Leakage Reactance	X _{lm} _____	

FIELD TIME CONSTANT DATA (SEC)

Open Circuit	T' _{do} _____	T' _{qo} _____
Three-Phase Short Circuit	T' _{d3} _____	T' _q _____

Transient		
Line to Line Short Circuit Transient	T'_{d2} _____	
Line to Neutral Short Circuit Transient	T'_{d1} _____	
Short Circuit Subtransient	T''_d _____	T''_q _____
Open Circuit Subtransient	T''_{do} _____	T''_{qo} _____

ARMATURE TIME CONSTANT DATA (SEC)

Three Phase Short Circuit	T_{a3} _____
Line to Line Short Circuit	T_{a2} _____
Line to Neutral Short Circuit	T_{a1} _____

NOTE: If requested information is not applicable, indicate by marking "N/A."

MW CAPABILITY AND PLANT CONFIGURATION LARGE GENERATING FACILITY DATA

ARMATURE WINDING RESISTANCE DATA (PER UNIT)

Positive	R_1 _____
Negative	R_2 _____
Zero	R_0 _____
Rotor Short Time Thermal Capacity I_2^2t	
Field Current at Rated kVA, Armature Voltage and PF	_____ amps
Field Current at Rated kVA and Armature Voltage, 0 PF	_____ amps
Three Phase Armature Winding Capacitance	_____ microfarad
Field Winding Resistance	_____ ohms _____ °C
Armature Winding Resistance (Per Phase)	_____ ohms _____ °C

CURVES

Provide Saturation, Vee, Reactive Capability, Capacity Temperature Correction curves. Designate normal and emergency Hydrogen Pressure operating range for multiple curves.

GENERATOR STEP-UP TRANSFORMER DATA RATINGS

Capacity	
Self-cooled / Maximum Nameplate	_____ / _____ kVA
Voltage Ratio (Generator Side/System side/Tertiary)	_____ / _____ / _____ kV

Winding Connections (Low V/High V/Tertiary V (Delta or Wye))	_____ / _____ / _____
Fixed Taps Available	
Present Tap Setting	

IMPEDANCE

Positive	Z_1 (on self-cooled kVA rating) _____ % _____ X/R
Negative	Z_0 (on self-cooled kVA rating) _____ % _____ X/R

EXCITATION SYSTEM DATA

Identify appropriate IEEE model block diagram of excitation system and power system stabilizer (PSS) for computer representation in power system stability simulations and the corresponding excitation system and PSS constants for use in the model.

GOVERNOR SYSTEM DATA

Identify appropriate IEEE model block diagram of governor system for computer representation in power system stability simulations and the corresponding governor system constants for use in the model.

WIND GENERATORS

Number of generators to be interconnected pursuant to this Interconnection Request:		
Elevation _____	Single Phase _____	Three Phase _____
Inverter manufacturer, model name, number, and version:		
List of adjustable setpoints for the protective equipment or software:		

Note: A complete PowerWorld model must be supplied with the Interconnection Request.

INDUCTION GENERATORS

Field Volts	
Field Amperes	
Motoring Power (kW)	
Neutral Grounding Resistor (If Applicable)	
I_2^2t or K (Heating Time Constant)	
Rotor Resistance	
Stator Resistance	
Stator Reactance	

Rotor Reactance	
Magnetizing Reactance	
Short Circuit Reactance	
Exciting Current	
Temperature Rise	
Frame Size	
Design Letter	
Reactive Power Required In Vars (No Load)	
Reactive Power Required In Vars (Full Load)	
Total Rotating Inertia, H	_____ per unit on KVA base

Note: Please consult Transmission Provider prior to submitting the Interconnection Request to determine if the information designated for Induction Generators is required.

APPENDIX 2 - CLUSTER STUDY AGREEMENT

THIS AGREEMENT (“Agreement”), effective upon the date of the last signature below, is by and between _____, a _____ organized and existing under the laws of the State of _____, (“Interconnection Customer,”) and Public Utility District No. 2 of Grant County, Washington, a municipal corporation in the State of Washington (“Transmission Provider”). Interconnection Customer and Transmission Provider each may be referred to as a “Party,” or collectively as the “Parties.”

RECITALS

WHEREAS, Interconnection Customer is proposing to develop a Large Generating Facility or generating capacity addition to an existing Generating Facility consistent with the Interconnection Request submitted by Interconnection Customer dated _____; and

WHEREAS, Interconnection Customer desires to interconnect the Large Generating Facility with the Transmission System;

WHEREAS, Interconnection Customer has requested Transmission Provider to perform a Cluster Study to assess the impact of interconnecting the Large Generating Facility to the Transmission System, and of any Affected Systems; and

WHEREAS, Transmission Provider has Large Generator Interconnection Procedures (LGIP) and the format for this Agreement is contained in Appendix 2 to this LGIP.

NOW, THEREFORE, in consideration of and subject to the mutual covenants contained herein, the Parties agreed as follows:

1. When used in this Agreement, with initial capitalization, the terms specified shall have the meanings indicated in Transmission Provider’s LGIP.
2. Interconnection Customer elects and Transmission Provider shall cause to be performed a Cluster Study consistent with Section 7 of this LGIP.
3. The scope of the Cluster Study shall be subject to the assumptions set forth in Attachment A to this Agreement.
4. The Cluster Study will be based upon the technical information provided by Interconnection Customer in the Interconnection Request, subject to any modifications in accordance with Section 4.4 of this LGIP. Transmission Provider reserves the right to request additional technical information from Interconnection Customer as may reasonably become necessary consistent with Good Utility Practice during the course of the Cluster Study.
5. The Cluster Study Report shall provide the following information:
 - identification of any circuit breaker short circuit capability limits exceeded as a result of the interconnection;
 - identification of any thermal overload or voltage limit violations resulting from the interconnection;
 - identification of any instability or inadequately damped response to system disturbances resulting from the interconnection; and
 - description and non-binding, good faith estimated cost of facilities required to interconnect the Large Generating Facility to the Transmission System and to address the identified short circuit, instability, and power flow issues.
6. Transmission Provider’s good faith estimate for the time of completion of the Cluster Study is {insert date}.

Upon receipt of the Cluster Study Report, Transmission Provider shall charge and Interconnection Customer shall pay its share of the actual costs of the Cluster Study, consistent with Section 13.3 of this LGIP.

Any difference between the deposit and the actual cost of the study shall be paid by or refunded to Interconnection Customer, as appropriate.

7. Miscellaneous

- 7.1 The Parties hereby designate the following individuals to receive any notices or other information required under, or pertinent to, this Agreement:

Transmission Provider	Interconnection Customer
Public Utility District No. 2 of Grant County, Washington Attn: Transmission Services Manager PO Box 878 Ephrata, WA 98823 TransmissionServices@gcpud.org	Full Legal Name of Company Attn: Address Address Email

- 7.2 No modification of this Agreement, and no waiver of the terms and conditions thereof, will be binding upon either Party unless approved in writing by both Parties.

- 7.3 By signing an agreement with Transmission Provider related to the LGIP, both Parties expressly acknowledges and agrees that neither Party will disclose to third parties (except as expressly set forth herein), without the written consent of the other Party, any information developed or obtained in connection with the performance of the LGIA, and, if requested by the other Party, to require its employees and subcontractors, if any, to execute a non-disclosure agreement prior to performing any services under the LGIA.

If either Party is subject to the Washington Public Records Act, Chapter 42.56 RCW ("PRA"), and a disclosure of Confidential Information is required to be made by pursuant to the PRA, such disclosure shall not be deemed a violation of this Section 7.3, provided that the Party receiving the request has, so far as it is lawful and practical to do so prior to such disclosure: (a) promptly notified the other Party in writing of such, request, order, or requirement; (b) provided a reasonable opportunity for the other Party to seek an appropriate protective order; and (c) cooperated with other Party to narrow the scope of such disclosure to only that portion of the Confidential Information that is necessary to fulfill the request.

- 7.4 All written instruments, agreements, specifications, and other writing of whatsoever nature which relate to or are a part of this Agreement shall be construed, for all purposes, solely and exclusively in accordance and pursuant to the laws of the State of Washington. The rights and obligations of Transmission Provider and Interconnection Customer shall be governed by the laws of the State of Washington. Venue of any action filed to enforce or interpret the provisions of this Agreement shall be exclusively in the Superior Court, County of Grant, State of Washington, or the Federal District Court for the Eastern District of Washington at Transmission Provider's sole option. In the event of litigation to enforce the provisions of this Agreement, the prevailing Party shall be entitled to reasonable legal fees in addition to any other relief allowed.

- 7.5 Neither Party may assign or delegate its rights or obligations pursuant to this Agreement without the prior written consent of the other Party. Such consent shall not be unreasonably withheld, conditioned, or delayed. This Agreement shall be binding not only upon the Parties hereto, but upon their assigns and successors as well.

- 7.6 No waiver of any provision of this Agreement, or any rights or obligations of either Party under this Agreement, shall be effective, except pursuant to a written instrument signed by the Party or Parties waiving compliance, and any such waiver shall be effective only in the specific instance and for the specific purpose stated in such

writing. The failure of either Party to require the performance of any term of this Agreement or the waiver of either Party of any breach under this Agreement shall not operate or be construed as a waiver of any other provision hereof, nor shall it be construed as a waiver of any subsequent breach by the other Party hereto.

7.7 Transmission Provider's LGIP, as amended from time to time, is incorporated into and constitutes part of this Agreement. In the event of a conflict, the terms and conditions of this Agreement shall prevail.

7.8 Each Party warrants and represents that:

- It is duly organized, validly existing and in good standing under the laws of the jurisdiction of its formation, and that it is authorized to conduct business in the State of Washington.
- The execution, delivery and performance of this Agreement are within its powers, have been duly authorized by all necessary action and do not violate any of the terms and conditions in its governing documents, any contracts to which it is a party or any law, rule, regulation, or order applicable to it.

7.9 The Parties may execute this Agreement, and any modification to this Agreement that is required to be executed, in any number of counterparts and through electronic signature. Each counterpart and electronic signature will be deemed an original and all counterparts will constitute one agreement binding on both Parties.

IN WITNESS THEREOF, the Parties have caused this Agreement to be duly executed by their duly authorized officers or agents on the day and year first above written.

Public Utility District No. 2
of Grant County, Washington

{Insert name of Interconnection Customer}

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

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

ASSUMPTIONS USED IN CONDUCTING THE CLUSTER STUDY

The Cluster Study will be based upon the technical information provided by Interconnection Customer in the Interconnection Request, subject to any modifications in accordance with Section 4.4 of this LGIP, and the following assumptions:

Designation of Point of Interconnection and configuration to be studied.
Designation of alternative Point(s) of Interconnection and configuration.

{Above assumptions to be completed by Interconnection Customer and other assumptions to be provided by Interconnection Customer and Transmission Provider}

APPENDIX 3 - INTERCONNECTION FACILITIES STUDY AGREEMENT

THIS AGREEMENT ("Agreement"), effective upon the date of the last signature below, is by and between _____, a _____ organized and existing under the laws of the State of _____, ("Interconnection Customer,") and Public Utility District No. 2 of Grant County, Washington, a municipal corporation in the State of Washington ("Transmission Provider "). Interconnection Customer and Transmission Provider each may be referred to as a "Party," or collectively as the "Parties."

RECITALS

WHEREAS, Interconnection Customer is proposing to develop a Large Generating Facility or generating capacity addition to an existing Generating Facility consistent with the Interconnection Request submitted by Interconnection Customer dated _____; and

WHEREAS, Interconnection Customer desires to interconnect the Large Generating Facility with the Transmission System; and

WHEREAS, Transmission Provider has completed a Cluster Study (the "Cluster Study") and provided the results of said study to Interconnection Customer; and

WHEREAS, Interconnection Customer has requested Transmission Provider to perform an Interconnection Facilities Study to specify and estimate the cost of the equipment, engineering, procurement and construction work needed to implement the conclusions of the Cluster Study in accordance with Good Utility Practice to physically and electrically connect the Large Generating Facility to the Transmission System; and

WHEREAS, Transmission Provider has Large Generator Interconnection Procedures (LGIP) and the format for this Agreement is contained in Appendix 3 to this LGIP;

NOW, THEREFORE, in consideration of and subject to the mutual covenants contained herein the Parties agreed as follows:

1. When used in this Agreement, with initial capitalization, the terms specified shall have the meanings indicated in Transmission Provider's LGIP.
2. Interconnection Customer elects and Transmission Provider shall cause an Interconnection Facilities Study consistent with Section 8.0 of this LGIP.
3. The scope of the Interconnection Facilities Study shall be subject to the data provided in Attachment A to this Agreement.
4. The Interconnection Facilities Study Report (i) shall provide a description, estimated cost of (consistent with Attachment A), schedule for required facilities to interconnect the Large Generating Facility to the Transmission System and (ii) shall address the short circuit, instability, and power flow issues identified in the Cluster Study.
5. Interconnection Customer shall provide a Commercial Readiness Deposit per Section 8.1 of this LGIP to enter the Interconnection Facilities Study. The time for completion of the Interconnection Facilities Study is specified in Attachment A.
6. Miscellaneous

- 6.1 The Parties hereby designate the following individuals to receive any notices or other information required under, or pertinent to, this Agreement:

Transmission Provider	Customer
Public Utility District No. 2 of Grant County, Washington Attn: Manager of Transmission Services PO Box 878 Ephrata, WA 98823 TransmissionServices@gcpud.org	Full Legal Name of Company Attn: Address Address Email

6.2 No modification of this Agreement, and no waiver of the terms and conditions thereof, will be binding upon either Party unless approved in writing by both Parties.

6.3 By signing an agreement with Transmission Provider related to the LGIP, both Parties expressly acknowledges and agrees that neither Party will disclose to third parties (except as expressly set forth herein), without the written consent of the other Party, any information developed or obtained in connection with the performance of the LGIA, and, if requested by the other Party, to require its employees and subcontractors, if any, to execute a non-disclosure agreement prior to performing any services under the LGIA.

If either Party is subject to the Washington Public Records Act, Chapter 42.56 RCW (“PRA”), and a disclosure of Confidential Information is required to be made by pursuant to the PRA, such disclosure shall not be deemed a violation of this Section 6.3, provided that the Party receiving the request has, so far as it is lawful and practical to do so prior to such disclosure: (a) promptly notified the other Party in writing of such, request, order, or requirement; (b) provided a reasonable opportunity for the other Party to seek an appropriate protective order; and (c) cooperated with other Party to narrow the scope of such disclosure to only that portion of the Confidential Information that is necessary to fulfill the request.

6.4 All written instruments, agreements, specifications, and other writing of whatsoever nature which relate to or are a part of this Agreement shall be construed, for all purposes, solely and exclusively in accordance and pursuant to the laws of the State of Washington. The rights and obligations of Transmission Provider and Interconnection Customer shall be governed by the laws of the State of Washington. Venue of any action filed to enforce or interpret the provisions of this Agreement shall be exclusively in the Superior Court, County of Grant, State of Washington, or the Federal District Court for the Eastern District of Washington at Transmission Provider’s sole option. In the event of litigation to enforce the provisions of this Agreement, the prevailing Party shall be entitled to reasonable legal fees in addition to any other relief allowed.

6.5 Neither Party may assign or delegate its rights or obligations pursuant to this Agreement without the prior written consent of the other Party. Such consent shall not be unreasonably withheld, conditioned, or delayed. This Agreement shall be binding not only upon the Parties hereto, but upon their assigns and successors as well.

6.6 No waiver of any provision of this Agreement, or any rights or obligations of either Party under this Agreement, shall be effective, except pursuant to a written instrument signed by the Party or Parties waiving compliance, and any such waiver shall be effective only in the specific instance and for the specific purpose stated in such writing. The failure of either Party to require the performance of any term of this Agreement or the waiver of either Party of any breach under this Agreement shall not operate or be construed as a waiver of any other provision hereof, nor shall it be construed as a waiver of any subsequent breach by the other Party hereto.

6.7 Transmission Provider’s LGIP, as amended from time to time, is incorporated into and constitutes part of this Agreement. In the event of a conflict, the terms and conditions of this Agreement shall prevail.

6.8 Each Party warrants and represents that:

- It is duly organized, validly existing and in good standing under the laws of the jurisdiction of its formation, and that it is authorized to conduct business in the State of Washington.

- The execution, delivery and performance of this Agreement are within its powers, have been duly authorized by all necessary action and do not violate any of the terms and conditions in its governing documents, any contracts to which it is a party or any law, rule, regulation, or order applicable to it.

6.9 The Parties may execute this Agreement, and any modification to this Agreement that is required to be executed, in any number of counterparts and through electronic signature. Each counterpart and electronic signature will be deemed an original and all counterparts will constitute one agreement binding on both Parties.

IN WITNESS WHEREOF, the Parties have caused this Agreement to be duly executed by their duly authorized officers or agents on the day and year first above written.

Public Utility District No. 2
of Grant County, Washington

{Insert name of Interconnection Customer}

By: _____

By: _____

Name: _____

Name: _____

Title: _____

Title: _____

Date: _____

Date: _____

**DATA FORM TO BE PROVIDED BY INTERCONNECTION CUSTOMER WITH THE
INTERCONNECTION FACILITIES STUDY AGREEMENT**

Provide location plan and simplified one-line diagram of the plant and station facilities. For staged projects, please indicate future generation, transmission circuits, and other applicable information.

One set of metering is required for each generation connection to the new or existing Transmission Provider station. Number of generation connections:

On the one-line diagram indicate the generation capacity attached at each metering location. (Maximum load on CT/PT)

On the one-line diagram indicate the source & rating of auxiliary power.

Will an alternate source of auxiliary power be available during CT/PT maintenance?

____ Yes ____ No

Will a transfer bus on the generation side of the metering require that each meter set be designed for the total plant generation? ____ Yes ____ No (Please indicate on one line diagram).

What type of control system or PLC will be located at Interconnection Customer's Large Generating Facility?

What protocol does the control system or PLC use?

Please provide a 7.5-minute quadrangle of the site. Sketch the plant, station, transmission line, and property line.

Physical dimensions of the proposed interconnection station:

Circuit length from generation to interconnection station:

Line length from interconnection station to Transmission Provider's transmission line.

Tower number observed in the field. (Painted on tower leg)* _____

Number of third party easements required for transmission lines*:

* To be completed in coordination with Transmission Provider.

Is the Large Generating Facility in the Transmission Provider's service area?

____ Yes ____ No Local provider: _____

Please provide proposed schedule dates:

Generator step-up transformer receives back feed power

Date: _____

Commercial Operation

Date: _____

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APPENDIX 4 - OPTIONAL INTERCONNECTION STUDY AGREEMENT

THIS AGREEMENT ("Agreement"), effective upon the date of the last signature below, is by and between _____, a _____ organized and existing under the laws of the State of _____, ("Interconnection Customer,") and Public Utility District No. 2 of Grant County, Washington, a municipal corporation in the State of Washington ("Transmission Provider"). Interconnection Customer and Transmission Provider each may be referred to as a "Party," or collectively as the "Parties."

RECITALS

WHEREAS, Interconnection Customer is proposing to develop a Large Generating Facility or generating capacity addition to an existing Generating Facility consistent with the Interconnection Request submitted by Interconnection Customer dated _____; and

WHEREAS, Interconnection Customer is proposing to establish an interconnection with the Transmission System; and

WHEREAS, Interconnection Customer has submitted to Transmission Provider an Interconnection Request; and

WHEREAS, on or after the date when Interconnection Customer receives the Cluster Study results, Interconnection Customer has further requested that Transmission Provider prepare an Optional Interconnection Study; and

WHEREAS, Transmission Provider has a Large Generator Interconnection Procedures (LGIP) and the format for this Agreement is contained in Appendix 4 to this LGIP.

NOW, THEREFORE, in consideration of and subject to the mutual covenants contained herein the Parties agree as follows:

1. When used in this Agreement, with initial capitalization, the terms specified shall have the meanings indicated in Transmission Provider's LGIP.
2. Interconnection Customer elects and Transmission Provider shall cause an Optional Interconnection Study consistent with Section 10.0 of this LGIP.
3. The scope of the Optional Interconnection Study shall be subject to the assumptions set forth in Attachment A to this Agreement.
4. The Optional Interconnection Study shall be performed solely for informational purposes.
5. The Optional Interconnection Study report shall provide a sensitivity analysis based on the assumptions specified by Interconnection Customer in Attachment A to this Agreement. The Optional Interconnection Study will identify Transmission Provider's Interconnection Facilities and the Network Upgrades, and the estimated cost thereof, that may be required to provide transmission service or interconnection service based upon the assumptions specified by Interconnection Customer in Attachment A.
6. Interconnection Customer shall provide a deposit of \$10,000 for the performance of the Optional Interconnection Study. Transmission Provider's good faith estimate for the time of completion of the Optional Interconnection Study is [insert date].

Upon receipt of the Optional Interconnection Study, Transmission Provider shall charge and Interconnection Customer shall pay the actual costs of the Optional Interconnection Study.

Any difference between the initial payment and the actual cost of the study shall be paid by or refunded to Interconnection Customer, as appropriate.

7. Miscellaneous

- 7.1 The Parties hereby designate the following individuals to receive any notices or other information required under, or pertinent to, this Agreement:

Transmission Provider	Interconnection Customer
Public Utility District No. 2 of Grant County, Washington Attn: Manager of Transmission Services PO Box 878 Ephrata, WA 98823 TransmissionServices@gcpud.org	Full Legal Name of Company Attn: Address Address Email

- 7.2 No modification of this Agreement, and no waiver of the terms and conditions thereof, will be binding upon either Party unless approved in writing by both Parties.
- 7.3 By signing an agreement with Transmission Provider related to the LGIP, both Parties expressly acknowledges and agrees that neither Party will disclose to third parties (except as expressly set forth herein), without the written consent of the other Party, any information developed or obtained in connection with the performance of the LGIA, and, if requested by the other Party, to require its employees and subcontractors, if any, to execute a non-disclosure agreement prior to performing any services under the LGIA.

If either Party is subject to the Washington Public Records Act, Chapter 42.56 RCW ("PRA"), and a disclosure of Confidential Information is required to be made by pursuant to the PRA, such disclosure shall not be deemed a violation of this Section 7.3, provided that the Party receiving the request has, so far as it is lawful and practical to do so prior to such disclosure: (a) promptly notified the other Party in writing of such, request, order, or requirement; (b) provided a reasonable opportunity for the other Party to seek an appropriate protective order; and (c) cooperated with other Party to narrow the scope of such disclosure to only that portion of the Confidential Information that is necessary to fulfill the request.

- 7.4 All written instruments, agreements, specifications, and other writing of whatsoever nature which relate to or are a part of this Agreement shall be construed, for all purposes, solely and exclusively in accordance and pursuant to the laws of the State of Washington. The rights and obligations of Transmission Provider and Interconnection Customer shall be governed by the laws of the State of Washington. Venue of any action filed to enforce or interpret the provisions of this Agreement shall be exclusively in the Superior Court, County of Grant, State of Washington, or the Federal District Court for the Eastern District of Washington at Transmission Provider's sole option. In the event of litigation to enforce the provisions of this Agreement, the prevailing Party shall be entitled to reasonable legal fees in addition to any other relief allowed.
- 7.5 Neither Party may assign or delegate its rights or obligations pursuant to this Agreement without the prior written consent of the other Party. Such consent shall not be unreasonably withheld, conditioned, or delayed. This Agreement shall be binding not only upon the Parties hereto, but upon their assigns and successors as well.
- 7.6 No waiver of any provision of this Agreement, or any rights or obligations of either Party under this Agreement, shall be effective, except pursuant to a written instrument signed by the Party or Parties waiving compliance, and any such waiver shall be effective only in the specific instance and for the specific purpose stated in such writing. The failure of either Party to require the performance of any term of this Agreement or the waiver of either Party of any breach under this Agreement shall not operate or be construed as a waiver of any other provision hereof, nor shall it be construed as a waiver of any subsequent breach by the other Party hereto.

- 7.7 Transmission Provider's LGIP, as amended from time to time, is incorporated into and constitutes part of this Agreement. In the event of a conflict, the terms and conditions of this Agreement shall prevail.
- 7.8 Each Party warrants and represents that:
- It is duly organized, validly existing and in good standing under the laws of the jurisdiction of its formation, and that it is authorized to conduct business in the State of Washington.
 - The execution, delivery and performance of this Agreement are within its powers, have been duly authorized by all necessary action and do not violate any of the terms and conditions in its governing documents, any contracts to which it is a party or any law, rule, regulation, or order applicable to it.
- 7.9 The Parties may execute this Agreement, and any modification to this Agreement that is required to be executed, in any number of counterparts and through electronic signature. Each counterpart and electronic signature will be deemed an original and all counterparts will constitute one agreement binding on both Parties.

IN WITNESS WHEREOF, the Parties have caused this Agreement to be duly executed by their duly authorized officers or agents on the day and year first above written.

Public Utility District No. 2
of Grant County, Washington

{Insert name of Interconnection Customer}

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

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

APPENDIX 5 - STANDARD LARGE GENERATOR INTERCONNECTION AGREEMENT (LGIA)

(See LGIA posted on Transmission Provider's public website)

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APPENDIX 6 - INTERCONNECTION PROCEDURES FOR A WIND GENERATING PLANT

Appendix 6 sets forth procedures specific to a wind generating plant. All other requirements of this LGIP continue to apply to wind generating plant interconnections.

A. Special Procedures Applicable to Wind Generators

The wind plant Interconnection Customer, in completing the Interconnection Request required by Section 3.3 of this LGIP, may provide to Transmission Provider a set of preliminary electrical design specifications depicting the wind plant as a single equivalent generator. Upon satisfying these and other applicable Interconnection Request conditions, the wind plant may enter the queue and receive the base case data as provided for in this LGIP.

No later than six months after submitting an Interconnection Request completed in this manner, the wind plant Interconnection Customer must submit completed detailed electrical design specifications and other data (including collector system layout data) needed to allow the Transmission Provider to complete the Cluster Study.

APPENDIX 7 - TWO-PARTY AFFECTED SYSTEM STUDY AGREEMENT

THIS AGREEMENT (“Agreement”), effective upon the date of the last signature below, is by and between _____, a _____ organized and existing under the laws of the State of _____ (“Affected System Interconnection Customer”) and Public Utility District No. 2 of Grant County, Washington, a municipal corporation in the State of Washington (“Transmission Provider”). Affected System Interconnection Customer and Transmission Provider each may be referred to as a “Party,” or collectively as the “Parties.”

RECITALS

WHEREAS, Affected System Interconnection Customer is proposing to develop a {description of generating facility or generating capacity addition to an existing generating facility} consistent with the interconnection request submitted by Affected System Interconnection Customer to {name of host transmission provider}, dated _____, for which {name of host transmission provider} found impacts on Transmission Provider’s Transmission System; and

WHEREAS, Affected System Interconnection Customer desires to interconnect the {generating facility} with {name of host transmission provider}’s transmission system; and

WHEREAS, Transmission Provider has a Large Generator Interconnection Procedures (LGIP) and the format for this Agreement is contained in Appendix 7 to this LGIP.

NOW, THEREFORE, in consideration of and subject to the mutual covenants contained herein, the Parties agree as follows:

1. When used in this Agreement, with initial capitalization, the terms specified shall have the meanings indicated in this LGIP.
2. Transmission Provider shall coordinate with Affected System Interconnection Customer to perform an Affected System Study consistent with Section 9 of this LGIP.
3. The scope of the Affected System Study shall be subject to the assumptions set forth in Attachment A to this Agreement.
4. The Affected System Study will be based upon the technical information provided by Affected System Interconnection Customer and {name of host transmission provider}. Transmission Provider reserves the right to request additional technical information from Affected System Interconnection Customer as may reasonably become necessary consistent with Good Utility Practice during the course of the Affected System Study.
5. The Affected System Study shall provide the following information:
 - identification of any circuit breaker short circuit capability limits exceeded as a result of the interconnection;
 - identification of any thermal overload or voltage limit violations resulting from the interconnection;
 - identification of any instability or inadequately damped response to system disturbances resulting from the interconnection;
 - non-binding, good faith estimated cost and time required to construct facilities required on Transmission Provider’s Transmission System to accommodate the interconnection of the {generating facility} to the transmission system of the host transmission provider; and
 - description of how such facilities will address the identified short circuit, instability, and power flow issues.

6. Affected System Interconnection Customer shall provide a deposit of [REDACTED] for performance of the Affected System Study. Upon receipt of the results of the Affected System Study by the Affected System Interconnection Customer, Transmission Provider shall charge, and Affected System Interconnection Customer shall pay, the actual cost of the Affected System Study. Any difference between the deposit and the actual cost of the Affected System Study shall be paid by or refunded to Affected System Interconnection Customer, as appropriate.

7. Miscellaneous

7.1 The Parties hereby designate the following individuals to receive any notices or other information required under, or pertinent to, this Agreement:

Transmission Provider	Affected System Interconnection Customer
Public Utility District No. 2 of Grant County, Washington Attn: Transmission Services Manager PO Box 878 Ephrata, WA 98823 TransmissionServices@gcpud.org	Full Legal Name of Company Attn: Address Address Email

7.2 No modification of this Agreement, and no waiver of the terms and conditions thereof, will be binding upon either Party unless approved in writing by both Parties.

7.3 By signing an agreement with Transmission Provider related to the LGIP, both Parties expressly acknowledges and agrees that neither Party will disclose to third parties (except as expressly set forth herein), without the written consent of the other Party, any information developed or obtained in connection with the performance of the LGIA, and, if requested by the other Party, to require its employees and subcontractors, if any, to execute a non-disclosure agreement prior to performing any services under the LGIA.

If either Party is subject to the Washington Public Records Act, Chapter 42.56 RCW ("PRA"), and a disclosure of Confidential Information is required to be made by pursuant to the PRA, such disclosure shall not be deemed a violation of this Section 7.3, provided that the Party receiving the request has, so far as it is lawful and practical to do so prior to such disclosure: (a) promptly notified the other Party in writing of such, request, order, or requirement; (b) provided a reasonable opportunity for the other Party to seek an appropriate protective order; and (c) cooperated with other Party to narrow the scope of such disclosure to only that portion of the Confidential Information that is necessary to fulfill the request.

7.4 All written instruments, agreements, specifications, and other writing of whatsoever nature which relate to or are a part of this Agreement shall be construed, for all purposes, solely and exclusively in accordance and pursuant to the laws of the State of Washington. The rights and obligations of Transmission Provider and Affected System Interconnection Customer shall be governed by the laws of the State of Washington. Venue of any action filed to enforce or interpret the provisions of this Agreement shall be exclusively in the Superior Court, County of Grant, State of Washington, or the Federal District Court for the Eastern District of Washington at Transmission Provider's sole option. In the event of litigation to enforce the provisions of this Agreement, the prevailing Party shall be entitled to reasonable legal fees in addition to any other relief allowed.

7.5 Neither Party may assign or delegate its rights or obligations pursuant to this Agreement without the prior written consent of the other Party. Such consent shall not be unreasonably withheld, conditioned, or delayed. This Agreement shall be binding not only upon the Parties hereto, but upon their assigns and successors as well.

7.6 No waiver of any provision of this Agreement, or any rights or obligations of either Party under this Agreement, shall be effective, except pursuant to a written instrument signed by the Party or Parties waiving compliance, and any such waiver shall be effective only in the specific instance and for the specific purpose stated in such

writing. The failure of either Party to require the performance of any term of this Agreement or the waiver of either Party of any breach under this Agreement shall not operate or be construed as a waiver of any other provision hereof, nor shall it be construed as a waiver of any subsequent breach by the other Party hereto.

7.7 Transmission Provider's LGIP, as amended from time to time, is incorporated into and constitutes part of this Agreement. In the event of a conflict, the terms and conditions of this Agreement shall prevail.

7.8 Each Party warrants and represents that:

- It is duly organized, validly existing and in good standing under the laws of the jurisdiction of its formation, and that it is authorized to conduct business in the State of Washington.
- The execution, delivery and performance of this Agreement are within its powers, have been duly authorized by all necessary action and do not violate any of the terms and conditions in its governing documents, any contracts to which it is a party or any law, rule, regulation, or order applicable to it.

7.9 The Parties may execute this Agreement, and any modification to this Agreement that is required to be executed, in any number of counterparts and through electronic signature. Each counterpart and electronic signature will be deemed an original and all counterparts will constitute one agreement binding on both Parties.

IN WITNESS THEREOF, the Parties have caused this Agreement to be duly executed by their duly authorized officers or agents on the day and year first above written.

Public Utility District No. 2
of Grant County, Washington

{Insert name of Affected System
Interconnection Customer}

By: _____

By: _____

Name: _____

Name: _____

Title: _____

Title: _____

Date: _____

Date: _____

Project No. ____

**ASSUMPTIONS USED IN CONDUCTING THE
AFFECTED SYSTEM STUDY**

The Affected System Study will be based upon the following assumptions:
{Assumptions to be completed by Affected System Interconnection Customer and Transmission Provider}

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APPENDIX 8 - MULTIPARTY AFFECTED SYSTEM STUDY AGREEMENT

THIS AGREEMENT (“Agreement”), effective upon the date of the last signature below, is by and among _____, a _____ organized and existing under the laws of the State of _____ (“Affected System Interconnection Customer”); _____, _____ organized and existing under the laws of the State of _____ (“Affected System Interconnection Customer”); and Public Utility District No. 2 of Grant County, Washington, a municipal corporation in the State of Washington (“Transmission Provider”). Affected System Interconnection Customers and Transmission Provider each may be referred to as a “Party,” or collectively as the “Parties.” When it is not important to differentiate among them, Affected System Interconnection Customers each may be referred to as “Affected System Interconnection Customer” or collectively as the “Affected System Interconnection Customers.”

RECITALS

WHEREAS, Affected System Interconnection Customers are proposing to develop {description of generating facilities or generating capacity additions to an existing generating facility}, consistent with the interconnection requests submitted by Affected System Interconnection Customers to {name of host transmission provider}, dated _____, for which {name of host transmission provider} found impacts on Transmission Provider’s Transmission System; and

WHEREAS, Affected System Interconnection Customers desire to interconnect the {generating facilities} with {name of host transmission provider}’s transmission system; and

WHEREAS, Transmission Provider has a Large Generator Interconnection Procedures (LGIP) and the format for this Agreement is contained in Appendix 8 to this LGIP.

NOW, THEREFORE, in consideration of and subject to the mutual covenants contained herein, the Parties agree as follows:

1. When used in this Agreement, with initial capitalization, the terms specified shall have the meanings indicated in this LGIP.
2. Transmission Provider shall coordinate with Affected System Interconnection Customers to perform an Affected System Study consistent with Section 9 of this LGIP.
3. The scope of the Affected System Study shall be subject to the assumptions set forth in Attachment A to this Agreement.
4. The Affected System Study will be based upon the technical information provided by Affected System Interconnection Customers and {name of host transmission provider}. Transmission Provider reserves the right to request additional technical information from Affected System Interconnection Customers as may reasonably become necessary consistent with Good Utility Practice during the course of the Affected System Study.
5. The Affected System Study shall provide the following information:
 - identification of any circuit breaker short circuit capability limits exceeded as a result of the interconnection;
 - identification of any thermal overload or voltage limit violations resulting from the interconnection;
 - identification of any instability or inadequately damped response to system disturbances resulting from the interconnection;

- non-binding, good faith estimated cost and time required to construct facilities required on Transmission Provider's Transmission System to accommodate the interconnection of the {generating facilities} to the transmission system of the host transmission provider; and
 - description of how such facilities will address the identified short circuit, instability, and power flow issues.
6. Affected System Interconnection Customers shall each provide a deposit of [REDACTED] for performance of the Affected System Study. Upon receipt of the results of the Affected System Study by the Affected System Interconnection Customers, Transmission Provider shall charge, and Affected System Interconnection Customers shall pay, the actual cost of the Affected System Study. Any difference between the deposit and the actual cost of the Affected System Study shall be paid by or refunded to Affected System Interconnection Customers, as appropriate.

7. Miscellaneous

- 7.1 The Parties hereby designate the following individuals to receive any notices or other information required under, or pertinent to, this Agreement:

Transmission Provider

Public Utility District No. 2 of Grant County, Washington
Attn: Transmission Services Manager
PO Box 878
Ephrata, WA 98823
TransmissionServices@gcpud.org

Affected System Interconnection Customer

Full Legal Name of Company
Attn:
Address
Address
Email

Affected System Interconnection Customer

Full Legal Name of Company
Attn:
Address
Address
Email

- 7.2 No modification of this Agreement, and no waiver of the terms and conditions thereof, will be binding upon either Party unless approved in writing by both Parties.
- 7.3 By signing an agreement with Transmission Provider related to the LGIP, both Parties expressly acknowledges and agrees that neither Party will disclose to third parties (except as expressly set forth herein), without the written consent of the other Party, any information developed or obtained in connection with the performance of the LGIA, and, if requested by the other Party, to require its employees and subcontractors, if any, to execute a non-disclosure agreement prior to performing any services under the LGIA.

If either Party is subject to the Washington Public Records Act, Chapter 42.56 RCW ("PRA"), and a disclosure of Confidential Information is required to be made by pursuant to the PRA, such disclosure shall not be deemed a violation of this Section 7.3, provided that the Party receiving the request has, so far as it is lawful and practical to do so prior to such disclosure: (a) promptly notified the other Party in writing of such, request, order, or requirement; (b) provided a reasonable opportunity for the other Party to seek an appropriate protective order;

and (c) cooperated with other Party to narrow the scope of such disclosure to only that portion of the Confidential Information that is necessary to fulfill the request.

- 7.4 All written instruments, agreements, specifications, and other writing of whatsoever nature which relate to or are a part of this Agreement shall be construed, for all purposes, solely and exclusively in accordance and pursuant to the laws of the State of Washington. The rights and obligations of Transmission Provider and Affected System Interconnection Customer shall be governed by the laws of the State of Washington. Venue of any action filed to enforce or interpret the provisions of this Agreement shall be exclusively in the Superior Court, County of Grant, State of Washington, or the Federal District Court for the Eastern District of Washington at Transmission Provider's sole option. In the event of litigation to enforce the provisions of this Agreement, the prevailing Party shall be entitled to reasonable legal fees in addition to any other relief allowed.
- 7.5 Neither Party may assign or delegate its rights or obligations pursuant to this Agreement without the prior written consent of the other Party. Such consent shall not be unreasonably withheld, conditioned, or delayed. This Agreement shall be binding not only upon the Parties hereto, but upon their assigns and successors as well.
- 7.6 No waiver of any provision of this Agreement, or any rights or obligations of either Party under this Agreement, shall be effective, except pursuant to a written instrument signed by the Party or Parties waiving compliance, and any such waiver shall be effective only in the specific instance and for the specific purpose stated in such writing. The failure of either Party to require the performance of any term of this Agreement or the waiver of either Party of any breach under this Agreement shall not operate or be construed as a waiver of any other provision hereof, nor shall it be construed as a waiver of any subsequent breach by the other Party hereto.
- 7.7 Transmission Provider's LGIP, as amended from time to time, is incorporated into and constitutes part of this Agreement. In the event of a conflict, the terms and conditions of this Agreement shall prevail.
- 7.8 Each Party warrants and represents that:
- It is duly organized, validly existing and in good standing under the laws of the jurisdiction of its formation, and that it is authorized to conduct business in the State of Washington.
 - The execution, delivery and performance of this Agreement are within its powers, have been duly authorized by all necessary action and do not violate any of the terms and conditions in its governing documents, any contracts to which it is a party or any law, rule, regulation, or order applicable to it.
- 7.9 The Parties may execute this Agreement, and any modification to this Agreement that is required to be executed, in any number of counterparts and through electronic signature. Each counterpart and electronic signature will be deemed an original and all counterparts will constitute one agreement binding on both Parties.

[Signatures on next page]

IN WITNESS THEREOF, the Parties have caused this Agreement to be duly executed by their duly authorized officers or agents on the day and year first above written.

Public Utility District No. 2
of Grant County, Washington

Affected System Interconnection Customer

By: _____

Name: _____

Title: _____

Date: _____

By: _____

Name: _____

Title: _____

Date: _____

Project No. _____

Affected System Interconnection Customer

By: _____

Name: _____

Title: _____

Date: _____

Project No. _____

**ASSUMPTIONS USED IN CONDUCTING THE
MULTIPARTY AFFECTED SYSTEM STUDY**

The Affected System Study will be based upon the following assumptions:
{Assumptions to be completed by Affected System Interconnection Customers and Transmission Provider}

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APPENDIX 9 - TWO-PARTY AFFECTED SYSTEM FACILITIES CONSTRUCTION AGREEMENT

THIS AGREEMENT (“Agreement”) is by and between _____, a _____ organized and existing under the laws of the State of _____ (“Affected System Interconnection Customer”) and Public Utility District No. 2 of Grant County, Washington, a municipal corporation in the State of Washington (“Transmission Provider”). Affected System Interconnection Customer and Transmission Provider each may be referred to as a “Party” or collectively as the “Parties.”

RECITALS

WHEREAS, Affected System Interconnection Customer is proposing to develop a {description of generating facility or generating capacity addition to an existing generating facility} consistent with the interconnection request submitted by Affected System Interconnection Customer to {name of host transmission provider}, dated _____, for which {name of host transmission provider} found impacts on Transmission Provider’s Transmission System; and

WHEREAS, Affected System Interconnection Customer desires to interconnect the {generating facility} to {name of host transmission provider}’s transmission system; and

WHEREAS, additions, modifications, and upgrade(s) must be made to certain existing facilities of Transmission Provider’s Transmission System to accommodate such interconnection; and

WHEREAS, Affected System Interconnection Customer has requested, and Transmission Provider has agreed, to enter into this Agreement for the purpose of facilitating the construction of necessary Affected System Network Upgrade(s); and

WHEREAS, Transmission Provider has a Large Generator Interconnection Procedures (LGIP) and the format for this Agreement is contained in Appendix 2 to this LGIP.

NOW, THEREFORE, in consideration of and subject to the mutual covenants contained herein, the Parties agree as follows:

1. Definitions

When used in this Agreement, with initial capitalization, the terms specified and not otherwise defined in this Agreement shall have the meanings indicated in this LGIP.

2. Term of Agreement

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

2.2 Term.

2.2.1 General. This Agreement shall become effective as provided in Section 2.1 and shall continue in full force and effect until the earlier of (1) the final repayment, where applicable, by Transmission Provider of the amount funded by Affected System Interconnection Customer for Transmission Provider’s design, procurement, construction and installation of the Affected System Network Upgrade(s) provided in Appendix A; (2) the Parties agree to mutually terminate this Agreement; (3) earlier termination is permitted or provided for under Appendix A of this Agreement; or (4) Affected System Interconnection Customer terminates this Agreement after providing Transmission Provider with written notice at least sixty (60) Calendar Days prior to the proposed termination date, provided that Affected System Interconnection Customer has no outstanding contractual obligations to

Transmission Provider under this Agreement. No termination of this Agreement shall be effective until the Parties have complied with all Applicable Laws and Regulations applicable to such termination. The term of this Agreement may be adjusted upon mutual agreement of the Parties if (1) the commercial operation date for the {generating facility} is adjusted in accordance with the rules and procedures established by {name of host transmission provider} or (2) the in-service date for the Affected System Network Upgrade(s) is adjusted in accordance with the rules and procedures established by Transmission Provider.

2.2.2 Termination Upon Default. Default shall mean the failure of a Breaching Party to cure its Breach in accordance with Section 5 of this Agreement where Breach and Breaching Party are defined in Section 5. Defaulting Party shall mean the Party that is in Default. In the event of a Default by a Party, the non-Defaulting Party shall have the termination rights described in Sections 5 and 6; provided, however, Transmission Provider may not terminate this Agreement if Affected System Interconnection Customer is the Defaulting Party and compensates Transmission Provider within thirty (30) Calendar Days for the amount of damages billed to Affected System Interconnection Customer by Transmission Provider for any such damages, including costs and expenses, incurred by Transmission Provider as a result of such Default.

2.2.3 Consequences of Termination. In the event of a termination by either Party, other than a termination by Affected System Interconnection Customer due to a Default by Transmission Provider, Affected System Interconnection Customer shall be responsible for the payment to Transmission Provider of all amounts then due and payable for construction and installation of the Affected System Network Upgrade(s) (including, without limitation, any equipment ordered related to such construction), plus all out-of-pocket expenses incurred by Transmission Provider in connection with the construction and installation of the Affected System Network Upgrade(s), through the date of termination, and, in the event of the termination of the entire Agreement, any actual costs which Transmission Provider reasonably incurs in (1) winding up work and construction demobilization and (2) ensuring the safety of persons and property and the integrity and safe and reliable operation of Transmission Provider's Transmission System. Transmission Provider shall use Reasonable Efforts to minimize such costs.

2.3 Filing. Transmission Provider shall file this Agreement (and any amendment hereto) with the appropriate Governmental Authority, if required. Affected System Interconnection Customer may request that any information so provided be subject to the confidentiality provisions of Section 8. If Affected System Interconnection Customer has executed this Agreement, or any amendment thereto, Affected System 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.

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

2.5 Termination Obligations. Upon any termination pursuant to this Agreement, Affected System Interconnection Customer shall be responsible for the payment of all costs or other contractual obligations incurred prior to the termination date, including previously incurred capital costs, penalties for early termination, and costs of removal and site restoration.

3. Construction of Affected System Network Upgrade(s)

3.1 Construction.

3.1.1 Transmission Provider Obligations. Transmission Provider shall (or shall cause such action to) design, procure, construct, and install, and Affected System Interconnection Customer shall pay, consistent with Section 3.2, the costs of all Affected System Network Upgrade(s) identified in Appendix A. All Affected System Network Upgrade(s) designed, procured, constructed, and installed by Transmission Provider pursuant to this Agreement shall satisfy all requirements of applicable safety and/or engineering codes and comply with Good Utility Practice, and further, shall satisfy all Applicable Laws and Regulations. 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, or any Applicable Laws and Regulations.

3.1.2 Suspension of Work.

3.1.2.1 Right to Suspend. Affected System Interconnection Customer must provide to Transmission Provider written notice of its request for suspension. Only the milestones described in the Appendices of this Agreement are subject to suspension under this Section 3.1.2. Affected System Network Upgrade(s) will be constructed on the schedule described in the Appendices of this Agreement unless: (1) construction is prevented by the order of a Governmental Authority; (2) the Affected System Network Upgrade(s) are not needed by any other Interconnection Customer; or (3) Transmission Provider determines that a Force Majeure event prevents construction. In the event of (1), (2), or (3), any security paid to Transmission Provider under Section 4.1 of this Agreement shall be released by Transmission Provider upon the determination by Transmission Provider that the Affected System Network Upgrade(s) will no longer be constructed. If suspension occurs, Affected System Interconnection Customer shall be responsible for the costs which Transmission Provider incurs (i) in accordance with this Agreement prior to the suspension; (ii) 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 Transmission Provider's Transmission System and, if applicable, any costs incurred in connection with the cancellation of contracts and orders for material which Transmission Provider cannot reasonably avoid; and (iii) reasonably incurs in winding up work and construction demobilization; provided, however, that, prior to canceling any such contracts or orders, Transmission Provider shall obtain Affected System Interconnection Customer's authorization. Affected System Interconnection Customer shall be responsible for all costs incurred in connection with Affected System Interconnection Customer's failure to authorize cancellation of such contracts or orders.

No interest will be paid on any amounts held by Transmission Provider.

Transmission Provider shall invoice Affected System Interconnection Customer pursuant to Section 4 and will use Reasonable Efforts to minimize its costs. In the event Affected System Interconnection Customer suspends work by Affected System Transmission Provider required under this Agreement pursuant to this Section 3.1.2.1 and has not requested Affected System Transmission Provider to recommence the work required under this Agreement on or before the expiration of three (3) years following commencement of such suspension, this Agreement shall be deemed terminated. The three-year period shall begin on the date the suspension is requested, or the date of the written notice to Affected

System Transmission Provider, whichever is earlier, if no effective date of suspension is specified.

3.1.2.2 Recommencing of Work. If Affected System Interconnection Customer requests that Transmission Provider recommence construction of Affected System Network Upgrade(s), Transmission Provider shall have no obligation to afford such work the priority it would have had but for the prior actions of Affected System Interconnection Customer to suspend the work. In such event, Affected System Interconnection Customer shall be responsible for any costs incurred in recommencing the work. All recommenced work shall be completed pursuant to an amended schedule for the interconnection agreed to by the Parties. Transmission Provider has the right to conduct a restudy of the Affected System Study if conditions have materially changed subsequent to the request to suspend. Affected System Interconnection Customer shall be responsible for the costs of any studies or restudies required.

3.1.3 Construction Status. Transmission Provider shall keep Affected System Interconnection Customer advised periodically as to the progress of its design, procurement and construction efforts, as described in Appendix A. Affected System Interconnection Customer may, at any time and reasonably, request a progress report from Transmission Provider. If, at any time, Affected System Interconnection Customer determines that the completion of the Affected System Network Upgrade(s) will not be required until after the specified in-service date, Affected System Interconnection Customer will provide written notice to Transmission Provider of such later date upon which the completion of the Affected System Network Upgrade(s) would be required. Transmission Provider may delay the in-service date of the Affected System Network Upgrade(s) accordingly.

3.1.4 Timely Completion. Transmission Provider shall use Reasonable Efforts to design, procure, construct, install, and test the Affected System Network Upgrade(s) in accordance with the schedule set forth in Appendix A, which schedule may be revised from time to time by mutual agreement of the Parties. If any event occurs that will affect the time or ability to complete the Affected System Network Upgrade(s), Transmission Provider shall promptly notify Affected System Interconnection Customer. In such circumstances, Transmission Provider shall, within fifteen (15) Calendar Days of such notice, convene a meeting with Affected System Interconnection Customer to evaluate the alternatives available to Affected System Interconnection Customer. Transmission Provider shall also make available to Affected System Interconnection Customer all studies and work papers related to the event and corresponding delay, including all information that is in the possession of Transmission Provider that is reasonably needed by Affected System Interconnection Customer to evaluate alternatives, subject to confidentiality arrangements consistent with Section 8. Transmission Provider shall, at Affected System Interconnection Customer's request and expense, use Reasonable Efforts to accelerate its work under this Agreement to meet the schedule set forth in Appendix A, provided that (1) Affected System Interconnection Customer authorizes such actions, such authorization to be withheld, conditioned, or delayed by Affected System Interconnection Customer only if it can demonstrate that the acceleration would have a material adverse effect on it; and (2) the Affected System Interconnection Customer funds costs associated therewith in advance.

3.2 Interconnection Costs.

3.2.1 Costs. Affected System Interconnection Customer shall pay to Transmission Provider costs (including taxes and financing costs) associated with seeking and obtaining all necessary approvals and of designing, engineering, constructing, project management and testing the Affected System Network Upgrade(s), as identified in Appendix A, in accordance with the cost recovery method

provided herein. Unless Transmission Provider elects to fund the Affected System Network Upgrade(s), they shall be initially funded by Affected System Interconnection Customer.

3.2.1.1 Lands of Other Property Owners. If any part of the Affected System Network Upgrade(s) is to be installed on property owned by persons other than Affected System Interconnection Customer or Transmission Provider, Transmission Provider shall, at Affected System 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 to the extent permitted and consistent with Applicable Laws and Regulations and, to the extent consistent with such Applicable Laws and Regulations, 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 the Affected System Network Upgrade(s) upon such property.

3.2.2 Repayment.

3.2.2.1 Repayment. Consistent with Section 11.4.1 of the Transmission Provider's LGIA, Affected System Interconnection Customer shall be entitled to billing credits of the amount paid to Transmission Provider, if any, for the Affected System Network Upgrade(s), including any tax gross-up or other tax-related payments associated with the Affected System Network Upgrade(s), and not refunded to Affected System Interconnection Customer pursuant to Section 3.3.1 or otherwise.

Affected System Interconnection Customer shall be entitled to a repayment, equal to the total amount paid to Transmission Provider without interest, if any, for the Network Upgrades, as payments are made to Transmission Provider for Non-Usage sensitive portion of payments made for transmission services to Transmission Provider for use of Transmission Provider's Transmission System with respect to the Generating Facility. Such repayment will occur by applying billing credits on Customer's bill for use of Transmission Provider's Transmission System. Customer may assign such repayment rights to any person. Full reimbursement shall not extend beyond 20 years from the Commercial Operation Date.

3.2.2.2 Impact of Failure to Achieve Commercial Operation.

If the Affected System Interconnection Customer's 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 shall at that time reimburse Affected System Interconnection Customer for the amounts advanced for the Network Upgrades. Such payment to Affected System Interconnection Customer shall occur only after payment is received by Transmission Provider from the Generating Facility that makes use of the Network Upgrades. The payments must be for Non-Usage sensitive portion of payments made for transmission services to Transmission Provider for use of Transmission Provider's Transmission System with respect to the later constructed Generating Facility. Before any such reimbursement can occur, Affected System 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.

If the Generating Facility fails to achieve Commercial Operation, and neither it nor any other Generating Facility is constructed and makes use of the Network Upgrades, any balance remaining for cash paid by Affected System Interconnection Customer for

Network Upgrades shall be set to zero and thus be forfeited by Affected System Interconnection Customer 20 years after the Effective Date of this Agreement.

3.3 Taxes.

3.3.1 Indemnification for Contributions in Aid of Construction. With regard only to payments made by Affected System Interconnection Customer to Transmission Provider for the installation of the Affected System Network Upgrade(s), Transmission Provider shall not include a gross-up for income taxes in the amounts it charges Affected System Interconnection Customer for the installation of the Affected System Network Upgrade(s) unless (1) Transmission Provider has determined, in good faith, that the payments or property transfers made by Affected System Interconnection Customer to Transmission Provider should be reported as income subject to taxation, or (2) any Governmental Authority directs Transmission Provider to report payments or property as income subject to taxation. Affected System Interconnection Customer shall reimburse Transmission Provider for such costs on a fully grossed-up basis, in accordance with this Section, 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 (10)-year testing period and the applicable statute of limitation, as it may be extended by Transmission Provider upon request of the Internal Revenue Service, 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 Section. Notwithstanding the foregoing provisions of this Section 3.3.1, and to the extent permitted by law, to the extent that the receipt of such payments by Transmission Provider is determined by any Governmental Authority to constitute income by Transmission Provider subject to taxation, Affected System Interconnection Customer shall protect, indemnify, and hold harmless Transmission Provider and its Affiliates, from all claims by any such Governmental Authority for any tax, interest, and/or penalties associated with such determination. Upon receiving written notification of such determination from the Governmental Authority, Transmission Provider shall provide Affected System Interconnection Customer with written notification within thirty (30) Calendar Days of such determination and notification. Transmission Provider, upon the timely written request by Affected System Interconnection Customer and at Affected System Interconnection Customer's expense, shall appeal, protest, seek abatement of, or otherwise oppose such 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 compromise or settlement of the claim; provided that Transmission Provider shall cooperate and consult in good faith with Affected System Interconnection Customer regarding the conduct of such contest. Affected System Interconnection Customer shall not be required to pay Transmission Provider for the tax, interest, and/or penalties prior to the seventh (7th) Calendar Day before the date on which Transmission Provider (1) is required to pay the tax, interest, and/or penalties or other amount in lieu thereof pursuant to a compromise or settlement of the appeal, protest, abatement, or other contest; (2) is required to pay the tax, interest, and/or penalties as the result of a final, non-appealable order by a Governmental Authority; or (3) is required to pay the tax, interest, and/or penalties as a prerequisite to an appeal, protest, abatement, or other contest. In the event such appeal, protest, abatement, or other contest results in a determination that Transmission Provider is not liable for any portion of any tax, interest, and/or penalties for which Affected System Interconnection Customer has already made payment to Transmission Provider, Transmission Provider shall promptly refund to Affected System Interconnection Customer any payment attributable to the amount determined to be non-taxable, plus any interest (calculated in accordance with 18 CFR 35.19a(a)(2)(iii)) or other payments Transmission Provider receives or which Transmission Provider may be entitled with respect to such payment. Affected System Interconnection Customer shall provide Transmission Provider with credit assurances sufficient to meet Affected System

Interconnection Customer's estimated liability for reimbursement of Transmission Provider for taxes, interest, and/or penalties under this Section 3.3.1. Such estimated liability shall be stated in Appendix A.

To the extent that Transmission Provider is a limited liability company and not a corporation, and has elected to be taxed as a partnership, then the following shall apply: Transmission Provider represents, and the Parties acknowledge, that Transmission Provider is a limited liability company and is treated as a partnership for federal income tax purposes. Any payment made by Affected System Interconnection Customer to Transmission Provider for Affected System Network Upgrade(s) is to be treated as an upfront payment. It is anticipated by the Parties that any amounts paid by Affected System Interconnection Customer to Transmission Provider for Affected System Network Upgrade(s) will be reimbursed to Affected System Interconnection Customer in accordance with the terms of this Agreement, provided Affected System Interconnection Customer fulfills its obligations under this Agreement.

- 3.3.2 Private Letter Ruling.** At Affected System Interconnection Customer's request and expense, Transmission Provider shall file with the Internal Revenue Service a request for a private letter ruling as to whether any property transferred or sums paid, or to be paid, by Affected System Interconnection Customer to Transmission Provider under this Agreement are subject to federal income taxation. Affected System 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 Affected System Interconnection Customer's knowledge. Transmission Provider and Affected System Interconnection Customer shall cooperate in good faith with respect to the submission of such request.
- 3.3.3 Other Taxes.** Upon the timely request by Affected System Interconnection Customer, and at Affected System Interconnection Customer's sole expense, Transmission Provider shall 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 Affected System Interconnection Customer may be required to reimburse Transmission Provider under the terms of this Agreement. Affected System 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. Affected System 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 Affected System 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, Affected System Interconnection Customer will be responsible for all taxes, interest and penalties, other than penalties attributable to any delay caused by Transmission Provider. Each Party shall cooperate with the other Party to maintain each Party's tax status. Nothing in this Agreement is intended to adversely affect any Party's tax-exempt status with respect to the issuance of bonds including, but not limited to, local furnishing bonds, as described in section 142(f) of the Internal Revenue Code.
- 3.3.4 Tax Status.** Each Party shall cooperate with the other to maintain the other Party's tax status. Nothing in this Agreement is intended to adversely affect Grant PUD's tax-exempt status with respect to the issuance of bonds including, but not limited to, local furnishing bonds.

4. Security, Billing, and Payments

- 4.1 Provision of Security.** At least 30 Calendar Days prior to the commencement of the procurement, installation, or construction of Affected System Network Upgrades, Affected System Interconnection Customer shall provide to Transmission Provider, at Affected System Interconnection Customer's option, a guarantee, letter of credit or other form of security that is acceptable to Transmission Provider and is consistent with the Uniform Commercial Code of the jurisdiction identified in Section 11.2. Such security for payment shall be in an amount equal to 100% of the costs for designing, procuring, constructing, and installing the applicable portion of Transmission Provider's Affected System Network Upgrades and shall be reduced on a dollar-for-dollar basis for payments made to Transmission Provider for these purposes. In addition:
- 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 Affected System Interconnection Customer, up to an agreed-to maximum amount.
 - The letter of credit must be issued by a financial institution acceptable to Transmission Provider and must specify a reasonable expiration date.
- 4.2 Invoice.** Each Party shall submit to the other Party, monthly, invoices of amounts due, if any, for the preceding month. Each invoice shall state the month to which the invoice applies and fully describe the services and equipment provided. The Parties may discharge mutual debts and payment obligations due and owing to each other on the same date through netting, in which case all amounts a Party owes to the other Party under this Agreement, including interest payments, shall be netted so that only the net amount remaining due shall be paid by the owing Party.
- 4.3 Payment.** Invoices shall be rendered to the paying Party at the address specified by the Parties. 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 a Party will not constitute a waiver of any rights or claims that Party may have under this Agreement.
- 4.4 Final Invoice.** Within six (6) months after completion of the construction of the Affected System Network Upgrade(s), Transmission Provider shall provide an invoice of the final cost of the construction of the Affected System Network Upgrade(s) and shall set forth such costs in sufficient detail to enable Affected System Interconnection Customer to compare the actual costs with the estimates and to ascertain deviations, if any, from the cost estimates. Transmission Provider shall refund, without interest to Affected System Interconnection Customer any amount by which the actual payment by Affected System Interconnection Customer for estimated costs exceeds the actual costs of construction within thirty (30) Calendar Days of the issuance of such final construction invoice.
- 4.5 Interest.** Interest shall be applied and accrue on past due balances until paid at the rate of 1.5% per month in accordance with Transmission Provider's Customer Service Policy
- 4.6 Payment During Dispute.** In the event of a billing dispute among the Parties, Transmission Provider shall continue to construct the Affected System Network Upgrade(s) under this Agreement as long as Affected System Interconnection Customer: (1) continues to make all payments not in dispute; and (2) pays to Transmission Provider or into an independent escrow account the portion of the invoice in dispute, pending resolution of such dispute. If Affected System Interconnection Customer fails to meet these two requirements, then Transmission Provider may provide notice to Affected System Interconnection Customer of a Default pursuant to Section 5. Within thirty (30) Calendar Days after the resolution of the dispute, the Party that owes money to another Party shall pay the amount due with interest calculated in accordance with Transmission Provider's Customer Service Policy.

5. Breach, Cure, and Default

5.1 Events of Breach. A Breach of this Agreement shall include the:

- (a) Failure to pay any amount when due;
- (b) Failure to comply with any material term or condition of this Agreement, including but not limited to any material Breach of a representation, warranty, or covenant made in this Agreement;
- (c) Failure of a Party to provide such access rights, or a Party's attempt to revoke access or terminate such access rights, as provided under this Agreement; or
- (d) Failure of a Party to provide information or data to another Party as required under this Agreement, provided the Party entitled to the information or data under this Agreement requires such information or data to satisfy its obligations under this Agreement.

5.2 Definition. Breaching Party shall mean the Party that is in Breach.

5.3 Notice of Breach, Cure, and Default. Upon the occurrence of an event of Breach, the Party not in Breach, when it becomes aware of the Breach, shall give written notice of the Breach to the Breaching Party and to any other person representing a Party to this Agreement identified in writing to the other Party in advance. Such notice shall set forth, in reasonable detail, the nature of the Breach, and where known and applicable, the steps necessary to cure such Breach.

5.3.1 Upon receiving written notice of the Breach hereunder, the Breaching Party shall have a period to cure such Breach (hereinafter referred to as the "Cure Period") which shall be sixty (60) Calendar Days.

5.3.2 In the event the Breaching Party fails to cure within the Cure Period, the Breaching Party will be in Default of this Agreement, and the non-Defaulting Party may terminate this Agreement in accordance with Section 6.2 of this Agreement or take whatever action at law or in equity as may appear necessary or desirable to enforce the performance or observance of any rights, remedies, obligations, agreement, or covenants under this Agreement.

5.4 Rights in the Event of Default. Notwithstanding the foregoing, upon the occurrence of a Default, the non-Defaulting Party shall be entitled to exercise all rights and remedies it may have in equity or at law.

6. Termination of Agreement

6.1 Expiration of Term. Except as otherwise specified in this Section 6, the Parties' obligations under this Agreement shall terminate at the conclusion of the term of this Agreement.

6.2 Termination. In addition to the termination provisions set forth in Section 2.2, a Party may terminate this Agreement upon the Default of the other Party in accordance with Section 5.3.2 of this Agreement.

6.3 Disposition of Facilities Upon Termination of Agreement.

6.3.1 Transmission Provider Obligations. Upon termination of this Agreement, unless otherwise agreed to by the Parties in writing, Transmission Provider:

- (a) shall, prior to the construction and installation of any portion of the Affected System Network Upgrade(s) and to the extent possible, cancel any pending orders of, or return, such equipment or material for such Affected System Network Upgrade(s);
- (b) may keep in place any portion of the Affected System Network Upgrade(s) already constructed and installed; and,
- (c) shall perform such work as may be necessary to ensure the safety of persons and property and to preserve the integrity of Transmission Provider's Transmission System (e.g., construction demobilization to return the system to its original state, wind-up work).

6.3.2 Affected System Interconnection Customer Obligations. Upon billing by Transmission Provider, Affected System Interconnection Customer shall reimburse Transmission Provider for any costs incurred by Transmission Provider in performance of the actions required or permitted by Section 6.3.1 and for the cost of any Affected System Network Upgrade(s) described in Appendix A. Transmission Provider shall use Reasonable Efforts to minimize costs and shall offset the amounts owed by any salvage value of facilities, if applicable. Affected System Interconnection Customer shall pay these costs pursuant to Section 4.3 of this Agreement.

6.3.3 Pre-construction or Installation. Upon termination of this Agreement and prior to the construction and installation of any portion of the Affected System Network Upgrade(s), Transmission Provider may, at its option, retain any portion of such Affected System Network Upgrade(s) not cancelled or returned in accordance with Section 6.3.1(a), in which case Transmission Provider shall be responsible for all costs associated with procuring such Affected System Network Upgrade(s). To the extent that Affected System Interconnection Customer has already paid Transmission Provider for any or all of such costs, Transmission Provider shall refund Affected System Interconnection Customer for those payments. If Transmission Provider elects to not retain any portion of such facilities, Transmission Provider shall convey and make available to Affected System Interconnection Customer such facilities as soon as practicable after Affected System Interconnection Customer's payment for such facilities.

6.4 Survival of Rights. Termination or expiration of this Agreement shall not relieve either Party of any of its liabilities and obligations arising hereunder prior to the date termination becomes effective, and each Party may take whatever judicial or administrative actions as appear necessary or desirable to enforce its rights hereunder. The applicable provisions of this Agreement will continue in effect after expiration, or early termination hereof to the extent necessary to provide for (1) final billings, billing adjustments, and other billing procedures set forth in this Agreement; (2) the determination and enforcement of liability and indemnification obligations arising from acts or events that occurred while this Agreement was in effect; and (3) the confidentiality provisions set forth in Section 8.

7. Subcontractors

7.1 Subcontractors. Nothing in this Agreement shall prevent a Party from utilizing the services of subcontractors, 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.

7.1.1 Responsibility of Principal. The creation of any subcontract relationship shall not relieve the hiring Party of any of its obligations under this Agreement. In accordance with the provisions of this Agreement, each Party shall be fully responsible to the other Party for the acts or omissions of any subcontractor it hires as if no subcontract had been made. Any applicable obligation imposed by this

Agreement upon a Party shall be equally binding upon, and shall be construed as having application to, any subcontractor of such Party.

7.1.2 No Third-Party Beneficiary. Except as may be specifically set forth to the contrary herein, no subcontractor or any other party is intended to be, nor will it be deemed to be, a third-party beneficiary of this Agreement.

7.1.3 No Limitation by Insurance. The obligations under this Section 7 will not be limited in any way by any limitation of any insurance policies or coverages, including any subcontractor's insurance.

8. Confidentiality

8.1 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 to the other Party prior to the execution of this Agreement.

Information is Confidential Information only if it is clearly designated or marked in writing as confidential on the face of the document, or, if the information is conveyed orally or by inspection, if the Party providing the information orally informs the Party receiving the information that the information is confidential. The Parties shall maintain as confidential any information that is provided and identified by a Party as Critical Energy Infrastructure Information (CEII), as that term is defined in 18 CFR 388.113(c).

Such confidentiality will be maintained in accordance with this Section 8. If requested by the receiving Party, the disclosing Party shall provide in writing, the basis for asserting that the information referred to in this Section 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.

8.1.1 Term. During the term of this Agreement, and for a period of three (3) years after the expiration or termination of this Agreement, except as otherwise provided in this Section 8 or with regard to CEII, each Party shall hold in confidence and shall not disclose to any person Confidential Information. CEII shall be treated in accordance with FERC policies and regulations.

8.1.2 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 non-Party, who, to the knowledge of the receiving Party after due inquiry, was under no obligation to the disclosing Party to keep such information confidential; (4) was independently developed by the receiving Party without reference to Confidential Information of the disclosing Party; (5) is, or becomes, publicly known, through no wrongful act or omission of the receiving Party or Breach of this Agreement; or (6) is required, in accordance with Section 8.1.6 of this Agreement, to be disclosed by any Governmental Authority or is otherwise required to be disclosed by law or subpoena, or is necessary in any legal proceeding establishing rights and obligations under this Agreement. Information designated as Confidential Information will no longer be deemed confidential if the Party that designated the information as confidential notifies the receiving Party that it no longer is confidential.

8.1.3 Release of Confidential Information. No Party shall release or disclose Confidential Information to any other person, except to its Affiliates (limited by the Standards of Conduct requirements), subcontractors, employees, agents, consultants, or to non-Parties that may be or are considering providing financing to or equity participation with Affected System Interconnection Customer, or to

potential purchasers or assignees of Affected System Interconnection Customer, on a need-to-know basis in connection with this Agreement, unless such person has first been advised of the confidentiality provisions of this Section 8 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 Section 8.

- 8.1.4 Rights.** Each Party shall retain all rights, title, and interest in the Confidential Information that it discloses to the receiving Party. The disclosure by a Party to the receiving Party of Confidential Information shall not be deemed a waiver by the disclosing Party or any other person or entity of the right to protect the Confidential Information from public disclosure.
- 8.1.5 Standard of Care.** Each Party shall use at least the same standard of care to protect Confidential Information it receives as it uses to protect its own Confidential Information from unauthorized disclosure, publication, or dissemination. Each Party may use Confidential Information solely to fulfill its obligations to the other Party under this Agreement or its regulatory requirements.
- 8.1.6 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, public records request, or otherwise, to disclose Confidential Information, that Party shall provide the disclosing Party with prompt notice of such request(s) or requirement(s) so that the disclosing Party may seek an appropriate protective order or waive compliance with the terms of this Agreement. Notwithstanding the absence of a protective order or waiver, the Party may disclose such Confidential Information 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.
- 8.1.7 Termination of Agreement.** Upon termination of this Agreement for any reason, each Party shall, within ten (10) Business 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 requesting Party) or return to the requesting Party any and all written or electronic Confidential Information received from the requesting Party, except that each Party may keep one copy for archival purposes, provided that the obligation to treat it as Confidential Information in accordance with this Section 8 shall survive such termination.
- 8.1.8 Remedies.** The Parties agree that monetary damages would be inadequate to compensate a Party for the other Party's Breach of its obligations under this Section 8. Each Party accordingly agrees that the disclosing Party shall be entitled to equitable relief, by way of injunction or otherwise, if the receiving Party Breaches or threatens to Breach its obligations under this Section 8, which equitable relief shall be granted without bond or proof of damages, and the Breaching Party shall not plead in defense that there would be an adequate remedy at law. Such remedy shall be deemed an exclusive remedy for the Breach of this Section 8. 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. Neither Party, however, shall be liable for indirect, incidental, or consequential or punitive damages of any nature or kind resulting from or arising in connection with this Section 8.
- 8.1.9** Any information that a disclosing Party claims is competitively sensitive, commercial, or financial information under this Agreement shall not be disclosed by the receiving Party to any person not employed or retained by the receiving Party, except to the extent disclosure is (1) required by law; (2) 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; (3) otherwise permitted by consent of the disclosing Party, such consent not to be unreasonably withheld; or (4) necessary to

fulfill its obligations under this Agreement or as the Transmission Provider or a balancing authority, including disclosing the Confidential Information to a regional or national reliability organization. The Party asserting confidentiality shall notify the receiving Party in writing of the information that Party claims is confidential. Prior to any disclosures of that Party's Confidential Information under this subparagraph, or if any non-Party or Governmental Authority makes any request or demand for any of the information described in this subparagraph, the Party that received the Confidential Information from the disclosing Party agrees to promptly notify the disclosing Party in writing and agrees to assert confidentiality and cooperate with the disclosing Party in seeking to protect the Confidential Information from public disclosure by confidentiality agreement, protective order, or other reasonable measures.

9. Information Access and Audit Rights

9.1 Information Access. Each Party shall make available to the other Party information necessary to verify the costs incurred by the other Party for which the requesting Party is responsible under this Agreement and carry out obligations and responsibilities under this Agreement, provided that the Parties shall not use such information for purposes other than those set forth in this Section 9.1 and to enforce their rights under this Agreement.

9.2 Audit Rights. Subject to the requirements of confidentiality under Section 8 of this Agreement, the accounts and records related to the design, engineering, procurement, and construction of the Affected System Network Upgrade(s) shall be subject to audit during the period of this Agreement and for a period of twenty-four (24) months following Transmission Provider's issuance of a final invoice in accordance with Section 4.4. Affected System Interconnection Customer at its expense shall have the right, during normal business hours, and upon prior reasonable notice to Transmission Provider, to audit such accounts and records. Any audit authorized by this Section 9.2 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 obligations under this Agreement.

10. Notices

10.1 General. Any notice, demand, or request required or permitted to be given by a Party to the other Party, and any instrument required or permitted to be tendered or delivered by a Party in writing to another Party, may be so given, tendered, or delivered, as the case may be, by depositing the same with the United States Postal Service with postage prepaid, for transmission by certified or registered mail, addressed to the Parties, or personally delivered to the Parties, at the address set out below:

Transmission Provider
Public Utility District No. 2 of Grant County, Washington
Attn: Transmission Services Manager
PO Box 878
Ephrata, WA 98823

With a copy to:

Public Utility District No. 2 of Grant County, Washington
Attn: General Counsel
PO Box 878
Ephrata, WA 98823

Affected System Interconnection Customer

Full Legal Name of Company

Attn:

Address

Address

- 10.2 Billings and Payments.** Billings and payments shall be sent to the addresses shown in Section 10.1 unless otherwise agreed to by the Parties.

Payments to Transmission Provider will be made via electronic funds transfer to:

Public Utility District No. 2 of Grant County, Washington

PO Box 878

Ephrata, WA 98823

- 10.3 Alternative Forms of Notice.** Any notice or request required or permitted to be given by a Party to the other Party and not required by this Agreement to be given in writing may be so given by telephone or email to the telephone numbers and email addresses set out below:

Transmission Provider

Transmission Services Manager

(509) 754-5088

TransmissionServices@gcpud.org

General Counsel

(509) 754-5088

legal@gcpud.org

Affected System Interconnection Customer

11. Miscellaneous

- 11.1 No modification of this Agreement, and no waiver of the terms and conditions thereof, will be binding upon either Party unless approved in writing by both Parties.
- 11.2 All written instruments, agreements, specifications, and other writing of whatsoever nature which relate to or are a part of this Agreement shall be construed, for all purposes, solely and exclusively in accordance and pursuant to the laws of the State of Washington. The rights and obligations of Transmission Provider and Affected System Interconnection Customer shall be governed by the laws of the State of Washington. Venue of any action filed to enforce or interpret the provisions of this Agreement shall be exclusively in the Superior Court, County of Grant, State of Washington, or the Federal District Court for the Eastern District of Washington at Transmission Provider's sole option. In the event of litigation to enforce the provisions of this Agreement, the prevailing Party shall be entitled to reasonable legal fees in addition to any other relief allowed.
- 11.3 Neither Party may assign or delegate its rights or obligations pursuant to this Agreement without the prior written consent of the other Party. Such consent shall not be unreasonably withheld, conditioned, or delayed. This Agreement shall be binding not only upon the Parties hereto, but upon their assigns and successors as well.
- 11.4 No waiver of any provision of this Agreement, or any rights or obligations of either Party under this Agreement,

shall be effective, except pursuant to a written instrument signed by the Party or Parties waiving compliance, and any such waiver shall be effective only in the specific instance and for the specific purpose stated in such writing. The failure of either Party to require the performance of any term of this Agreement or the waiver of either Party of any breach under this Agreement shall not operate or be construed as a waiver of any other provision hereof, nor shall it be construed as a waiver of any subsequent breach by the other Party hereto.

11.5 Transmission Provider's LGIP, as amended from time to time, is incorporated into and constitutes part of this Agreement. In the event of a conflict, the terms and conditions of this Agreement shall prevail.

11.6 Each Party warrants and represents that:

- It is duly organized, validly existing and in good standing under the laws of the jurisdiction of its formation, and that it is authorized to conduct business in the State of Washington.
- The execution, delivery and performance of this Agreement are within its powers, have been duly authorized by all necessary action and do not violate any of the terms and conditions in its governing documents, any contracts to which it is a party or any law, rule, regulation, or order applicable to it.

11.7 The Parties may execute this Agreement, and any modification to this Agreement that is required to be executed, in any number of counterparts and through electronic signature. Each counterpart and electronic signature will be deemed an original and all counterparts will constitute one agreement binding on both Parties.

IN WITNESS WHEREOF, the Parties have executed this Agreement in multiple originals, each of which shall constitute and be an original Agreement among the Parties.

Public Utility District No. 2
of Grant County, Washington

{Insert name of Affected System
Interconnection Customer}

By: _____

By: _____

Name: _____

Name: _____

Title: _____

Title: _____

Date: _____

Date: _____

Project No. ____

**AFFECTED SYSTEM NETWORK UPGRADE(S), COST ESTIMATES AND RESPONSIBILITY,
CONSTRUCTION SCHEDULE AND MONTHLY PAYMENT SCHEDULE**

This Appendix A is a part of the Affected System Facilities Construction Agreement between Affected System Interconnection Customer and Transmission Provider.

1.1 Affected System Network Upgrade(s) to be installed by Transmission Provider.

{description}

1.2 First Equipment Order (including permitting).

{description}

1.2.1. Permitting, Land Rights, and NCRRP – Transmission Provider Affected System Network Upgrade(s)

{description}

1.3 Estimated Construction Schedule. Where applicable, construction of the Affected System Network Upgrade(s) is scheduled as follows and will be periodically updated as necessary:

Table 1: Transmission Provider Construction Activities

Milestone No.	Description	Estimated Start Date	Estimated End Date

Note: Construction schedule assumes that Transmission Provider has obtained final authorizations and security from Affected System Interconnection Customer and all necessary permits from Governmental Authorities as necessary prerequisites to commence construction of any of the Affected System Network Upgrade(s).

1.4 Payment Schedule.

1.4.1 Timing of and Adjustments to Affected System Interconnection Customer's Payments and Security.

{description}

1.4.2 Monthly Payment Schedule. Affected System Interconnection Customer's payment schedule is as follows.

{description}

Table 2: Affected System Interconnection Customer’s Payment/Security Obligations for Affected System Network Upgrade(s).

Milestone No.	Description	Date

Note: Affected System Interconnection Customer’s payment or provision of security as provided in this Agreement operates as a condition precedent to Transmission Provider’s obligations to construct any Affected System Network Upgrade(s), and failure to meet this schedule will constitute a Breach pursuant to Section 5.1 of this Agreement.

1.5 Permits, Licenses, and Authorizations.

{description}

NOTIFICATION OF COMPLETED CONSTRUCTION

This Appendix B is a part of the Affected Systems Facilities Construction Agreement between Affected System Interconnection Customer and Transmission Provider. Where applicable, when Transmission Provider has completed construction of the Affected System Network Upgrade(s), Transmission Provider shall send notice to Affected System Interconnection Customer in substantially the form following:

{Date}

{Affected System Interconnection Customer Address}

Re: Completion of Affected System Network Upgrade(s)

Dear {Name or Title}:

This letter is sent pursuant to the Affected System Facilities Construction Agreement between {Transmission Provider} and {Affected System Interconnection Customer}, dated _____, 20____.

On {Date}, Transmission Provider completed to its satisfaction all work on the Affected System Network Upgrade(s) required to facilitate the safe and reliable interconnection and operation of Affected System Interconnection Customer's {description of generating facility}. Transmission Provider confirms that the Affected System Network Upgrade(s) are in place.

Thank you.

{Signature}

{Transmission Provider Representative}

Attachment C to Appendix 9
Two-Party Affected System Facilities Construction Agreement

EXHIBITS

This Appendix C is a part of the Affected System Facilities Construction Agreement between Affected System Interconnection Customer and Transmission Provider.

Exhibit A1
Transmission Provider Site Map

Exhibit A2
Site Plan

Exhibit A3
Affected System Network Upgrade(s) Plan & Profile

Exhibit A4
Estimated Cost of Affected System Network Upgrade(s)

	Location	Facilities to Be Constructed by Transmission Provider	Estimate in Dollars
		Total:	

APPENDIX 10 - MULTIPARTY AFFECTED SYSTEM FACILITIES CONSTRUCTION AGREEMENT

THIS AGREEMENT (“Agreement”) is by and among _____, organized and existing under the laws of the State of _____ (“Affected System Interconnection Customer”); _____, a _____ organized and existing under the laws of the State of _____ (“Affected System Interconnection Customer”); and Public Utility District No. 2 of Grant County, Washington, a municipal corporation in the State of Washington, (“Transmission Provider”). Affected System Interconnection Customers and Transmission Provider each may be referred to as a “Party” or collectively as the “Parties.” When it is not important to differentiate among them, Affected System Interconnection Customers each may be referred to as “Affected System Interconnection Customer” or collectively as “Affected System Interconnection Customers.”

RECITALS

WHEREAS, Affected System Interconnection Customers are proposing to develop {description of generating facilities or generating capacity additions to an existing generating facility}, consistent with the interconnection requests submitted by Affected System Interconnection Customers to {name of host transmission provider}, dated _____, for which {name of host transmission provider} found impacts on Transmission Provider’s Transmission System; and

WHEREAS, Affected System Interconnection Customers desire to interconnect the {generating facilities} to {name of host transmission provider}’s transmission system; and

WHEREAS, additions, modifications, and upgrade(s) must be made to certain existing facilities of Transmission Provider’s Transmission System to accommodate such interconnection; and

WHEREAS, Affected System Interconnection Customers have requested, and Transmission Provider has agreed, to enter into this Agreement for the purpose of facilitating the construction of necessary Affected System Network Upgrade(s); and

WHEREAS, Transmission Provider has a Large Generator Interconnection Procedures (LGIP) and the format for this Agreement is contained in Appendix 10 to this LGIP.

NOW, THEREFORE, in consideration of and subject to the mutual covenants contained herein, the Parties agree as follows:

1. Definitions

When used in this Agreement, with initial capitalization, the terms specified and not otherwise defined in this Agreement shall have the meanings indicated in this LGIP.

2. Term of Agreement

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

2.2 Term.

2.2.1 General. This Agreement shall become effective as provided in Section 2.1 and shall continue in full force and effect until the earlier of (1) the final repayment, where applicable, by Transmission Provider of the amount funded by Affected System Interconnection Customers for Transmission Provider’s design, procurement, construction, and installation of the Affected System Network Upgrade(s) provided in Appendix A; (2) the Parties agree to mutually terminate this Agreement; (3) earlier termination is permitted or provided for under Appendix A of this Agreement; or (4) Affected

System Interconnection Customers terminate this Agreement after providing Transmission Provider with written notice at least sixty (60) Calendar Days prior to the proposed termination date, provided that Affected System Interconnection Customers have no outstanding contractual obligations to Transmission Provider under this Agreement. No termination of this Agreement shall be effective until the Parties have complied with all Applicable Laws and Regulations applicable to such termination. The term of this Agreement may be adjusted upon mutual agreement of the Parties if the commercial operation date(s) for the {generating facilities} is adjusted in accordance with the rules and procedures established by {name of host transmission provider} or the in-service date for the Affected System Network Upgrade(s) is adjusted in accordance with the rules and procedures established by Transmission Provider.

2.2.2 Termination Upon Default. Default shall mean the failure of a Breaching Party to cure its Breach in accordance with Section 5 of this Agreement where Breach and Breaching Party are defined in Section 5. Defaulting Party shall mean the Party that is in Default. In the event of a Default by a Party, each non-Defaulting Party shall have the termination rights described in Sections 5 and 6; provided, however, Transmission Provider may not terminate this Agreement if an Affected System Interconnection Customer is the Defaulting Party and compensates Transmission Provider within thirty (30) Calendar Days for the amount of damages billed to Affected System Interconnection Customer(s) by Transmission Provider for any such damages, including costs and expenses incurred by Transmission Provider as a result of such Default. Notwithstanding the foregoing, Default by one or more Affected System Interconnection Customers shall not provide the other Affected System Interconnection Customer(s), either individually or in concert, with the right to terminate the entire Agreement. The non-Defaulting Party/Parties may, individually or in concert, initiate the removal of an Affected System Interconnection Customer that is a Defaulting Party from this Agreement. Transmission Provider shall not terminate this Agreement or the participation of any Affected System Interconnection Customer without provision being made for Transmission Provider to be fully reimbursed for all of its costs incurred under this Agreement.

2.2.3 Consequences of Termination. In the event of a termination by a Party, other than a termination by Affected System Interconnection Customer(s) due to a Default by Transmission Provider, each Affected System Interconnection Customer whose participation in this Agreement is terminated shall be responsible for the payment to Transmission Provider of all amounts then due and payable for construction and installation of the Affected System Network Upgrade(s) (including, without limitation, any equipment ordered related to such construction), plus all out-of-pocket expenses incurred by Transmission Provider in connection with the construction and installation of the Affected System Network Upgrade(s), through the date of termination, and, in the event of the termination of the entire Agreement, any actual costs which Transmission Provider reasonably incurs in (1) winding up work and construction demobilization and (2) ensuring the safety of persons and property and the integrity and safe and reliable operation of Transmission Provider's Transmission System. Transmission Provider shall use Reasonable Efforts to minimize such costs. The cost responsibility of other Affected System Interconnection Customers shall be adjusted, as necessary, based on the payments by an Affected System Interconnection Customer that is terminated from the Agreement.

2.3 Filing. Transmission Provider shall file this Agreement (and any amendment hereto) with the appropriate Governmental Authority, if required. Affected System Interconnection Customers may request that any information so provided be subject to the confidentiality provisions of Section 8. Each Affected System Interconnection Customer that has executed this Agreement, or any amendment thereto, 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.

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

2.5 Termination Obligations. Upon any termination pursuant to this Agreement or termination of the participation in this Agreement of an Affected System Interconnection Customer, each Affected System Interconnection Customer shall be responsible for the payment of its proportionate share of all costs or other contractual obligations incurred prior to the termination date, including previously incurred capital costs, penalties for early termination, and costs of removal and site restoration. The cost responsibility of the other Affected System Interconnection Customers shall be adjusted as necessary.

3. Construction of Affected System Network Upgrade(s)

3.1 Construction.

3.1.1 Transmission Provider Obligations. Transmission Provider shall (or shall cause such action to) design, procure, construct, and install, and Affected System Interconnection Customers shall pay, consistent with Section 3.2, the costs of all Affected System Network Upgrade(s) identified in Appendix A. All Affected System Network Upgrade(s) designed, procured, constructed, and installed by Transmission Provider pursuant to this Agreement shall satisfy all requirements of applicable safety and/or engineering codes and comply with Good Utility Practice, and further, shall satisfy all Applicable Laws and Regulations. 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, or any Applicable Laws and Regulations.

3.1.2 Suspension of Work.

3.1.2.1 Right to Suspend. Affected System Interconnection Customers must jointly provide to Transmission Provider written notice of their request for suspension. Only the milestones described in the Appendices of this Agreement are subject to suspension under this Section 3.1.2. Affected System Network Upgrade(s) will be constructed on the schedule described in the Appendices of this Agreement unless: (1) construction is prevented by the order of a Governmental Authority; (2) the Affected System Network Upgrade(s) are not needed by any other Interconnection Customer; or (3) Transmission Provider determines that a Force Majeure event prevents construction. In the event of (1), (2), or (3), any security paid to Transmission Provider under Section 4.1 of this Agreement shall be released by Transmission Provider upon the determination by Transmission Provider that the Affected System Network Upgrade(s) will no longer be constructed. If suspension occurs, Affected System Interconnection Customers shall be responsible for the costs which Transmission Provider incurs (i) in accordance with this Agreement prior to the suspension; (ii) 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 Transmission Provider's Transmission System and, if applicable, any costs incurred in connection with the cancellation of contracts and orders for material which Transmission Provider cannot reasonably avoid; and (iii) reasonably incurs in winding up work and construction demobilization; provided, however, that, prior to canceling any such contracts or orders, Transmission Provider shall obtain Affected System Interconnection Customers' authorization. Affected System Interconnection Customers shall be responsible for all

costs incurred in connection with Affected System Interconnection Customers' failure to authorize cancellation of such contracts or orders.

No interest will be paid on any amounts held by Transmission Provider.

Transmission Provider shall invoice Affected System Interconnection Customers pursuant to Section 4 and will use Reasonable Efforts to minimize its costs. In the event Affected System Interconnection Customers suspend work by Affected System Transmission Provider required under this Agreement pursuant to this Section 3.1.2.1 and have not requested Affected System Transmission Provider to recommence the work required under this Agreement on or before the expiration of three (3) years following commencement of such suspension, this Agreement shall be deemed terminated. The three-year period shall begin on the date the suspension is requested, or the date of the written notice to Affected System Transmission Provider, whichever is earlier, if no effective date of suspension is specified.

3.1.2.2 Recommencing of Work. If Affected System Interconnection Customers request that Transmission Provider recommence construction of Affected System Network Upgrade(s), Transmission Provider shall have no obligation to afford such work the priority it would have had but for the prior actions of Affected System Interconnection Customers to suspend the work. In such event, Affected System Interconnection Customers shall be responsible for any costs incurred in recommencing the work. All recommenced work shall be completed pursuant to an amended schedule for the interconnection agreed to by the Parties. Transmission Provider has the right to conduct a restudy of the Affected System Study if conditions have materially changed subsequent to the request to suspend. Affected System Interconnection Customers shall be responsible for the costs of any studies or restudies required.

3.1.3 Construction Status. Transmission Provider shall keep Affected System Interconnection Customers advised periodically as to the progress of its design, procurement, and construction efforts, as described in Appendix A. An Affected System Interconnection Customer may, at any time and reasonably, request a progress report from Transmission Provider. If, at any time, an Affected System Interconnection Customer determines that the completion of the Affected System Network Upgrade(s) will not be required until after the specified in-service date, such Affected System Interconnection Customer will provide written notice to all other Parties of such later date for which the completion of the Affected System Network Upgrade(s) would be required. Transmission Provider may delay the in-service date of the Affected System Network Upgrade(s) accordingly, but only if agreed to by all other Affected System Interconnection Customers.

3.1.4 Timely Completion. Transmission Provider shall use Reasonable Efforts to design, procure, construct, install, and test the Affected System Network Upgrade(s) in accordance with the schedule set forth in Appendix A, which schedule may be revised from time to time by mutual agreement of the Parties. If any event occurs that will affect the time or ability to complete the Affected System Network Upgrade(s), Transmission Provider shall promptly notify all other Parties. In such circumstances, Transmission Provider shall, within fifteen (15) Calendar Days of such notice, convene a meeting with Affected System Interconnection Customers to evaluate the alternatives available to Affected System Interconnection Customers. Transmission Provider shall also make available to Affected System Interconnection Customers all studies and work papers related to the event and corresponding delay, including all information that is in the possession of Transmission Provider that is reasonably needed by Affected System Interconnection Customers to evaluate alternatives, subject to confidentiality arrangements consistent with Section 8. Transmission Provider shall, at any Affected System Interconnection Customer's request and expense, use

Reasonable Efforts to accelerate its work under this Agreement to meet the schedule set forth in Appendix A, provided that (1) Affected System Interconnection Customers jointly authorize such actions, such authorizations to be withheld, conditioned, or delayed by a given Affected System Interconnection Customer only if it can demonstrate that the acceleration would have a material adverse effect on it; and (2) the requesting Affected System Interconnection Customer(s) funds the costs associated therewith in advance, or all Affected System Interconnection Customers agree in advance to fund such costs based on such other allocation method as they may adopt.

3.2 Interconnection Costs.

3.2.1 Costs. Affected System Interconnection Customers shall pay to Transmission Provider costs (including taxes and financing costs) associated with seeking and obtaining all necessary approvals and of designing, engineering, constructing, project management and testing the Affected System Network Upgrade(s), as identified in Appendix A, in accordance with the cost recovery method provided herein. Except as expressly otherwise agreed, Affected System Interconnection Customers shall be collectively responsible for these costs, based on their proportionate share of cost responsibility, as provided in Appendix A. Unless Transmission Provider elects to fund the Affected System Network Upgrade(s), they shall be initially funded by the applicable Affected System Interconnection Customer.

3.2.1.1 Lands of Other Property Owners. If any part of the Affected System Network Upgrade(s) is to be installed on property owned by persons other than Affected System Interconnection Customers or Transmission Provider, Transmission Provider shall, at Affected System Interconnection Customers' 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 to the extent permitted and consistent with Applicable Laws and Regulations and, to the extent consistent with such Applicable Laws and Regulations, 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 the Affected System Network Upgrade(s) upon such property.

3.2.2 Repayment.

3.2.2.1 Repayment. Consistent with Sections 11.4.1 of Transmission Provider's LGIA, each Affected System Interconnection Customer shall be entitled to billing credits of the amount each Affected System Interconnection Customer paid to Transmission Provider, if any, for the Affected System Network Upgrade(s), including any tax gross-up or other tax-related payments associated with the Affected System Network Upgrade(s), and not refunded to Affected System Interconnection Customer pursuant to Section 3.3.1 or otherwise.

Each Affected System Interconnection Customer shall be entitled to a repayment, equal to the total amount paid to Transmission Provider without interest, if any, for the Network Upgrades, as payments are made to Transmission Provider for Non-Usage sensitive portion of payments made for transmission services to Transmission Provider for use of Transmission Provider's Transmission System with respect to the applicable Generating Facility. Such repayment will occur by applying billing credits on Customer's bill for use of Transmission Provider's Transmission System. Customer may assign such repayment rights to any person. Full reimbursement shall not extend beyond 20 years from the Commercial Operation Date.

3.2.2.2 Impact of Failure to Achieve Commercial Operation.

If an Affected System Interconnection Customer's 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 shall at that time reimburse Affected System Interconnection Customer for the amounts advanced for the Network Upgrades. Such payment to Customer shall occur only after payment is received by Transmission Provider from the Generating Facility that makes use of the Network Upgrades. The payments must be for Non-Usage sensitive portion of payments made for transmission services to Transmission Provider for use of Transmission Provider's Transmission System with respect to the later constructed Generating Facility. Before any such reimbursement can occur, Affected System 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.

If a Generating Facility fails to achieve Commercial Operation, and neither it nor any other Generating Facility is constructed and makes use of the Network Upgrades, any balance remaining for cash paid by Affected System Interconnection Customer for Network Upgrades shall be set to zero and thus be forfeited by Affected System Interconnection Customer 20 years after the Effective Date of this Agreement.

3.3 Taxes.

3.3.1 Indemnification for Contributions in Aid of Construction. With regard only to payments made by Affected System Interconnection Customers to Transmission Provider for the installation of the Affected System Network Upgrade(s), Transmission Provider shall not include a gross-up for income taxes in the amounts it charges Affected System Interconnection Customers for the installation of the Affected System Network Upgrade(s) unless (1) Transmission Provider has determined, in good faith, that the payments or property transfers made by Affected System Interconnection Customers to Transmission Provider should be reported as income subject to taxation, or (2) any Governmental Authority directs Transmission Provider to report payments or property as income subject to taxation. Affected System Interconnection Customers shall reimburse Transmission Provider for such costs on a fully grossed-up basis, in accordance with this Section, 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 (10)-year testing period and the applicable statute of limitation, as it may be extended by Transmission Provider upon request of the Internal Revenue Service, 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 Section. Notwithstanding the foregoing provisions of this Section 3.3.1, and to the extent permitted by law, to the extent that the receipt of such payments by Transmission Provider is determined by any Governmental Authority to constitute income by Transmission Provider subject to taxation, Affected System Interconnection Customers shall protect, indemnify, and hold harmless Transmission Provider and its Affiliates, from all claims by any such Governmental Authority for any tax, interest, and/or penalties associated with such determination. Upon receiving written notification of such determination from the Governmental Authority, Transmission Provider shall provide Affected System Interconnection Customers with written notification within thirty (30) Calendar Days of such determination and notification. Transmission Provider, upon the timely written request by any one or more Affected System Interconnection Customer(s) and at the expense of such Affected System Interconnection Customer(s), shall appeal, protest, seek abatement of, or otherwise oppose such 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 compromise or settlement of the claim; provided that Transmission Provider shall cooperate and consult in good faith with the requesting Affected System Interconnection Customer(s) regarding the conduct of such contest. Affected System Interconnection Customer(s) shall not be required to pay Transmission Provider for the tax, interest, and/or penalties prior to the seventh (7th) Calendar Day before the date on which Transmission Provider (1) is required to pay the tax, interest, and/or penalties or other amount in lieu thereof pursuant to a compromise or settlement of the appeal, protest, abatement, or other contest; (2) is required to pay the tax, interest, and/or penalties as the result of a final, non-appealable order by a Governmental Authority; or (3) is required to pay the tax, interest, and/or penalties as a prerequisite to an appeal, protest, abatement, or other contest. In the event such appeal, protest, abatement, or other contest results in a determination that Transmission Provider is not liable for any portion of any tax, interest, and/or penalties for which any Affected System Interconnection Customer(s) has already made payment to Transmission Provider, Transmission Provider shall promptly refund to such Affected System Interconnection Customer(s) any payment attributable to the amount determined to be non-taxable, plus any interest (calculated in accordance with 18 CFR 35.19a(a)(2)(iii)) or other payments Transmission Provider receives or to which Transmission Provider may be entitled with respect to such payment. Each Affected System Interconnection Customer shall provide Transmission Provider with credit assurances sufficient to meet each Affected System Interconnection Customer's estimated liability for reimbursement of Transmission Provider for taxes, interest, and/or penalties under this Section 3.3.1. Such estimated liability shall be stated in Appendix A.

To the extent that Transmission Provider is a limited liability company and not a corporation, and has elected to be taxed as a partnership, then the following shall apply: Transmission Provider represents, and the Parties acknowledge, that Transmission Provider is a limited liability company and is treated as a partnership for federal income tax purposes. Any payment made by Affected System Interconnection Customers to Transmission Provider for Affected System Network Upgrade(s) is to be treated as an upfront payment. It is anticipated by the Parties that any amounts paid by each Affected System Interconnection Customer to Transmission Provider for Affected System Network Upgrade(s) will be reimbursed to such Affected System Interconnection Customer in accordance with the terms of this Agreement, provided such Affected System Interconnection Customer fulfills its obligations under this Agreement.

3.3.2 Private Letter Ruling. At the request and expense of any Affected System Interconnection Customer(s), Transmission Provider shall file with the Internal Revenue Service a request for a private letter ruling as to whether any property transferred or sums paid, or to be paid, by such Affected System Interconnection Customer(s) to Transmission Provider under this Agreement are subject to federal income taxation. Each Affected System Interconnection Customer desiring such a request 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 such Affected System Interconnection Customer's knowledge. Transmission Provider and such Affected System Interconnection Customer(s) shall cooperate in good faith with respect to the submission of such request.

3.3.3 Other Taxes. Upon the timely request by any one or more Affected System Interconnection Customer(s), and at such Affected System Interconnection Customer(s)' sole expense, Transmission Provider shall 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 such Affected System Interconnection Customer(s) may be required to reimburse Transmission Provider under the terms of this Agreement. Affected System Interconnection Customer(s) who requested the action 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. The requesting Affected System Interconnection Customer(s) 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 Affected System Interconnection Customer(s) 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, Affected System Interconnection Customer(s) will be responsible for all taxes, interest, and penalties, other than penalties attributable to any delay caused by Transmission Provider. Each Party shall cooperate with the other Party to maintain each Party's tax status. Nothing in this Agreement is intended to adversely affect any Party's tax-exempt status with respect to the issuance of bonds including, but not limited to, local furnishing bonds, as described in section 142(f) of the Internal Revenue Code.

- 3.3.4 Tax Status.** Each Party shall cooperate with the other to maintain the other Party's tax status. Nothing in this Agreement is intended to adversely affect Grant PUD's tax-exempt status with respect to the issuance of bonds including, but not limited to, local furnishing bonds.

4. Security, Billing, and Payments

- 4.1 Provision of Security.** At least 30 Calendar Days prior to the commencement of the procurement, installation, or construction of Affected System Network Upgrades, Affected System Interconnection Customer shall provide to Transmission Provider, at Affected System Interconnection Customer's option, a guarantee, letter of credit or other form of security that is acceptable to Transmission Provider and is consistent with the Uniform Commercial Code of the jurisdiction identified in Section 11.2. Such security for payment shall be in an amount equal to 100% of the costs for designing, procuring, constructing, and installing the applicable portion of Transmission Provider's Affected System Network Upgrades and shall be reduced on a dollar-for-dollar basis for payments made to Transmission Provider for these purposes. In addition:
- 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 Affected System Interconnection Customer, up to an agreed-to maximum amount.
 - The letter of credit must be issued by a financial institution acceptable to Transmission Provider and must specify a reasonable expiration date.
- 4.2 Invoice.** Each Party shall submit to the other Parties, on a monthly basis, invoices of amounts due, if any, 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 another Party under this Agreement, including interest payments, shall be netted so that only the net amount remaining due shall be paid by the owing Party.
- 4.3 Payment.** Invoices shall be rendered to the paying Party at the address specified by the Parties. 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 a Party will not constitute a waiver of any rights or claims that Party may have under this Agreement.
- 4.4 Final Invoice.** Within six (6) months after completion of the construction of the Affected System Network Upgrade(s) Transmission Provider shall provide an invoice of the final cost of the construction of the Affected System Network Upgrade(s) and shall set forth such costs in sufficient detail to enable each Affected System Interconnection Customer to compare the actual costs with the estimates and to ascertain deviations, if any, from the cost estimates. Transmission Provider shall refund, without interest to each Affected System Interconnection Customer any amount by which the actual payment by Affected System Interconnection

Customer for estimated costs exceeds the actual costs of construction within thirty (30) Calendar Days of the issuance of such final construction invoice.

4.5 Interest. Interest shall be applied and accrue on past due balances until paid in accordance with Transmission Provider's Customer Service Policy.

4.6 Payment During Dispute. In the event of a billing dispute among the Parties, Transmission Provider shall continue to construct the Affected System Network Upgrade(s) under this Agreement as long as each Affected System Interconnection Customer: (1) continues to make all payments not in dispute; and (2) pays to Transmission Provider or into an independent escrow account the portion of the invoice in dispute, pending resolution of such dispute. If any Affected System Interconnection Customer fails to meet these two requirements, then Transmission Provider may provide notice to such Affected System Interconnection Customer of a Default pursuant to Section 5. Within thirty (30) Calendar Days after the resolution of the dispute, the Party that owes money to another Party shall pay the amount due with interest calculated in accordance with Transmission Provider's Customer Service Policy. in existence at the time the dispute was initiated.

5. Breach, Cure, and Default

5.1 Events of Breach. A Breach of this Agreement shall include the:

- (a) Failure to pay any amount when due;
- (b) Failure to comply with any material term or condition of this Agreement, including but not limited to any material Breach of a representation, warranty, or covenant made in this Agreement;
- (c) Failure of a Party to provide such access rights, or a Party's attempt to revoke access or terminate such access rights, as provided under this Agreement; or
- (d) Failure of a Party to provide information or data to another Party as required under this Agreement, provided the Party entitled to the information or data under this Agreement requires such information or data to satisfy its obligations under this Agreement.

5.2 Definition. Breaching Party shall mean the Party that is in Breach.

5.3 Notice of Breach, Cure, and Default. Upon the occurrence of an event of Breach, any Party aggrieved by the Breach, when it becomes aware of the Breach, shall give written notice of the Breach to the Breaching Party and to any other person representing a Party to this Agreement identified in writing to the other Party in advance. Such notice shall set forth, in reasonable detail, the nature of the Breach, and where known and applicable, the steps necessary to cure such Breach.

5.3.1 Upon receiving written notice of the Breach hereunder, the Breaching Party shall have a period to cure such Breach (hereinafter referred to as the "Cure Period") which shall be sixty (60) Calendar Days. If an Affected System Interconnection Customer is the Breaching Party and the Breach results from a failure to provide payments or security under Section 4.1 of this Agreement, the other Affected System Interconnection Customers, either individually or in concert, may cure the Breach by paying the amounts owed or by providing adequate security, without waiver of contribution rights against the breaching Affected System Interconnection Customer. Such cure for the Breach of an Affected System Interconnection Customer is subject to the reasonable consent of Transmission Provider. Transmission Provider may also cure such Breach by funding the proportionate share of the Affected System Network Upgrade costs related to the Breach of Affected System Interconnection Customer.

Transmission Provider must notify all Parties that it will exercise this option within thirty (30) Calendar Days of notification that an Affected System Interconnection Customer has failed to provide payments or security under Section 4.1.

5.3.2 In the event the Breach is not cured within the Cure Period, the Breaching Party will be in Default of this Agreement, and the non-Defaulting Parties may (1) act in concert to amend the Agreement to remove an Affected System Interconnection Customer that is in Default from this Agreement for cause and to make other changes as necessary, or (2) either in concert or individually take whatever action at law or in equity as may appear necessary or desirable to enforce the performance or observance of any rights, remedies, obligations, agreement, or covenants under this Agreement.

5.4 Rights in the Event of Default. Notwithstanding the foregoing, upon the occurrence of Default, the non-Defaulting Parties shall be entitled to exercise all rights and remedies it may have in equity or at law.

6. Termination of Agreement

6.1 Expiration of Term. Except as otherwise specified in this Section 6, the Parties' obligations under this Agreement shall terminate at the conclusion of the term of this Agreement.

6.2 Disposition of Facilities Upon Termination of Agreement.

6.2.1 Transmission Provider Obligations. Upon termination of this Agreement, unless otherwise agreed to by the Parties in writing, Transmission Provider:

- (a) shall, prior to the construction and installation of any portion of the Affected System Network Upgrade(s) and to the extent possible, cancel any pending orders of, or return, such equipment or material for such Affected System Network Upgrade(s);
- (b) may keep in place any portion of the Affected System Network Upgrade(s) already constructed and installed; and,
- (c) shall perform such work as may be necessary to ensure the safety of persons and property and to preserve the integrity of Transmission Provider's Transmission System (e.g., construction demobilization to return the system to its original state, wind-up work).

6.2.2 Affected System Interconnection Customer Obligations. Upon billing by Transmission Provider, each Affected System Interconnection Customer shall reimburse Transmission Provider for its share of any costs incurred by Transmission Provider in performance of the actions required or permitted by Section 6.2.1 and for its share of the cost of any Affected System Network Upgrade(s) described in Appendix A. Transmission Provider shall use Reasonable Efforts to minimize costs and shall offset the amounts owed by any salvage value of facilities, if applicable. Each Affected System Interconnection Customer shall pay these costs pursuant to Section 4.3 of this Agreement.

6.2.3 Pre-construction or Installation. Upon termination of this Agreement and prior to the construction and installation of any portion of the Affected System Network Upgrade(s), Transmission Provider may, at its option, retain any portion of such Affected System Network Upgrade(s) not cancelled or returned in accordance with Section 6.2.1(a), in which case Transmission Provider shall be responsible for all costs associated with procuring such Affected System Network Upgrade(s). To the extent that an Affected System Interconnection Customer has already paid Transmission Provider for any or all of such costs, Transmission Provider shall refund Affected System Interconnection Customer for those payments. If Transmission Provider elects to not retain any portion of such facilities, and one or more of Affected System Interconnection Customers wish to purchase such

facilities, Transmission Provider shall convey and make available to the applicable Affected System Interconnection Customer(s) such facilities as soon as practicable after Affected System Interconnection Customer(s)' payment for such facilities.

6.3 Survival of Rights. Termination or expiration of this Agreement shall not relieve any Party of any of its liabilities and obligations arising hereunder prior to the date termination becomes effective, and each Party may take whatever judicial or administrative actions as appear necessary or desirable to enforce its rights hereunder. The applicable provisions of this Agreement will continue in effect after expiration, or early termination hereof, to the extent necessary to provide for (1) final billings, billing adjustments, and other billing procedures set forth in this Agreement; (2) the determination and enforcement of liability and indemnification obligations arising from acts or events that occurred while this Agreement was in effect; and (3) the confidentiality provisions set forth in Section 8.

7. Subcontractors

7.1 Subcontractors. Nothing in this Agreement shall prevent a Party from utilizing the services of subcontractors, 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 Parties for the performance of such subcontractor.

7.1.1 Responsibility of Principal. The creation of any subcontract relationship shall not relieve the hiring Party of any of its obligations under this Agreement. In accordance with the provisions of this Agreement, each Party shall be fully responsible to the other Parties for the acts or omissions of any subcontractor it hires as if no subcontract had been made. Any applicable obligation imposed by this Agreement upon a Party shall be equally binding upon, and shall be construed as having application to, any subcontractor of such Party.

7.1.2 No Third-Party Beneficiary. Except as may be specifically set forth to the contrary herein, no subcontractor or any other party is intended to be, nor will it be deemed to be, a third-party beneficiary of this Agreement.

7.1.3 No Limitation by Insurance. The obligations under this Section 7 will not be limited in any way by any limitation of any insurance policies or coverages, including any subcontractor's insurance.

8. Confidentiality

8.1 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 to the other Parties prior to the execution of this Agreement.

Information is Confidential Information only if it is clearly designated or marked in writing as confidential on the face of the document, or, if the information is conveyed orally or by inspection, if the Party providing the information orally informs the Party receiving the information that the information is confidential. The Parties shall maintain as confidential any information that is provided and identified by a Party as Critical Energy Infrastructure Information (CEII), as that term is defined in 18 CFR 388.113(c).

Such confidentiality will be maintained in accordance with this Section 8. If requested by the receiving Party, the disclosing Party shall provide in writing, the basis for asserting that the information referred to in this Section 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.

If either Party is subject to the Washington Public Records Act, Chapter 42.56 RCW (“PRA”), and a disclosure of Confidential Information is required to be made by pursuant to the PRA, such disclosure shall not be deemed a violation of this Section 8.1, provided that the Party receiving the request has, so far as it is lawful and practical to do so prior to such disclosure: (a) promptly notified the other Party in writing of such, request, order, or requirement; (b) provided a reasonable opportunity for the other Party to seek an appropriate protective order; and (c) cooperated with other Party to narrow the scope of such disclosure to only that portion of the Confidential Information that is necessary to fulfill the request.

8.1.1 Term. During the term of this Agreement, and for a period of three (3) years after the expiration or termination of this Agreement, except as otherwise provided in this Section 8 or with regard to CEII, each Party shall hold in confidence and shall not disclose to any person Confidential Information. CEII shall be treated in accordance with FERC policies and regulations.

8.1.2 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 non-Party, who, to the knowledge of the receiving Party after due inquiry, was under no obligation to the disclosing Party to keep such information confidential; (4) was independently developed by the receiving Party without reference to Confidential Information of the disclosing Party; (5) is, or becomes, publicly known, through no wrongful act or omission of the receiving Party or Breach of this Agreement; or (6) is required, in accordance with Section 8.1.6 of this Agreement, to be disclosed by any Governmental Authority or is otherwise required to be disclosed by law or subpoena, or is necessary in any legal proceeding establishing rights and obligations under this Agreement. Information designated as Confidential Information will no longer be deemed confidential if the Party that designated the information as confidential notifies the receiving Party that it no longer is confidential.

8.1.3 Release of Confidential Information. No Party shall release or disclose Confidential Information to any other person, except to its Affiliates (limited by the Standards of Conduct requirements), subcontractors, employees, agents, consultants, or to non-Parties that may be or are considering providing financing to or equity participation with Affected System Interconnection Customer(s), or to potential purchasers or assignees of Affected System Interconnection Customer(s), on a need-to-know basis in connection with this Agreement, unless such person has first been advised of the confidentiality provisions of this Section 8 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 Section 8.

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

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

8.1.6 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 any Party, by subpoena, oral deposition, interrogatories, requests for production of documents, administrative order, public records request,

or otherwise, to disclose Confidential Information, that Party shall provide the disclosing Party with prompt notice of such request(s) or requirement(s) so that the disclosing Party may seek an appropriate protective order or waive compliance with the terms of this Agreement. Notwithstanding the absence of a protective order or waiver, the Party may disclose such Confidential Information 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.

- 8.1.7 Termination of Agreement.** Upon termination of this Agreement for any reason, each Party shall, within ten (10) Business 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 requesting Party) or return to the requesting Party any and all written or electronic Confidential Information received from the requesting Party, except that each Party may keep one copy for archival purposes, provided that the obligation to treat it as Confidential Information in accordance with this Section 8 shall survive such termination.
- 8.1.8 Remedies.** The Parties agree that monetary damages would be inadequate to compensate a Party for another Party's Breach of its obligations under this Section 8. Each Party accordingly agrees that the disclosing Party shall be entitled to equitable relief, by way of injunction or otherwise, if the receiving Party Breaches or threatens to Breach its obligations under this Section 8, which equitable relief shall be granted without bond or proof of damages, and the Breaching Party shall not plead in defense that there would be an adequate remedy at law. Such remedy shall be deemed an exclusive remedy for the Breach of this Section 8. The Parties further acknowledge and agree that the covenants contained herein are necessary for the protection of legitimate business interests and are reasonable in scope. No Party, however, shall be liable for indirect, incidental, or consequential or punitive damages of any nature or kind resulting from or arising in connection with this Section 8.
- 8.1.9** Any information that a disclosing Party claims is competitively sensitive, commercial, or financial information under this Agreement shall not be disclosed by the receiving Party to any person not employed or retained by the receiving Party, except to the extent disclosure is (1) required by law; (2) 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; (3) otherwise permitted by consent of the disclosing Party, such consent not to be unreasonably withheld; or (4) necessary to fulfill its obligations under this Agreement or as Transmission Provider or a balancing authority, including disclosing the Confidential Information to a regional or national reliability organization. The Party asserting confidentiality shall notify the receiving Party in writing of the information that Party claims is confidential. Prior to any disclosures of that Party's Confidential Information under this subparagraph, or if any non-Party or Governmental Authority makes any request or demand for any of the information described in this subparagraph, the Party that received the Confidential Information from the disclosing Party agrees to promptly notify the disclosing Party in writing and agrees to assert confidentiality and cooperate with the disclosing Party in seeking to protect the Confidential Information from public disclosure by confidentiality agreement, protective order, or other reasonable measures.

9. Information Access and Audit Rights

- 9.1 Information Access.** Each Party shall make available to the other Parties information necessary to verify the costs incurred by the other Parties for which the requesting Party is responsible under this Agreement and carry out obligations and responsibilities under this Agreement, provided that the Parties shall not use such information for purposes other than those set forth in this Section 9.1 and to enforce their rights under this Agreement.

9.2 Audit Rights. Subject to the requirements of confidentiality under Section 8 of this Agreement, the accounts and records related to the design, engineering, procurement, and construction of the Affected System Network Upgrade(s) shall be subject to audit during the period of this Agreement and for a period of twenty-four (24) months following Transmission Provider's issuance of a final invoice in accordance with Section 4.4. Affected System Interconnection Customers may, jointly or individually, at the expense of the requesting Party(ies), during normal business hours, and upon prior reasonable notice to Transmission Provider, audit such accounts and records. Any audit authorized by this Section 9.2 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 obligations under this Agreement.

10. Notices

10.1 General. Any notice, demand, or request required or permitted to be given by a Party to the other Parties, and any instrument required or permitted to be tendered or delivered by a Party in writing to another Party, may be so given, tendered, or delivered, as the case may be, by depositing the same with the United States Postal Service with postage prepaid, for transmission by certified or registered mail, addressed to the Parties, or personally delivered to the Parties, at the address set out below:

Transmission Provider

Public Utility District No. 2 of Grant County, Washington
Attn: Transmission Services Manager
PO Box 878
Ephrata, WA 98823

With a copy to:

Public Utility District No. 2 of Grant County, Washington
Attn: General Counsel
PO Box 878
Ephrata, WA 98823

Affected System Interconnection Customer

Full Legal Name of Company
Attn:
Address
Address

Affected System Interconnection Customer

Full Legal Name of Company
Attn:
Address
Address

10.2 Billings and Payments. Billings and payments shall be sent to the addresses shown in Section 10.1 unless otherwise agreed to by the Parties.

Payments to Transmission Provider will be made via electronic funds transfer to:

Public Utility District No. 2 of Grant County, Washington
PO Box 878
Ephrata, WA 98823

10.3 Alternative Forms of Notice. Any notice or request required or permitted to be given by a Party to the other Parties and not required by this Agreement to be given in writing may be so given by telephone, or email to the telephone numbers and email addresses set out below:

Transmission Provider

Transmission Services Manager

(509) 754-5088

TransmissionServices@gcpud.org

General Counsel

(509) 754-5088

legal@gcpud.org

Affected System Interconnection Customer

Affected System Interconnection Customer

11. Miscellaneous

- 11.1 No modification of this Agreement, and no waiver of the terms and conditions thereof, will be binding upon either Party unless approved in writing by both Parties.
- 11.2 All written instruments, agreements, specifications, and other writing of whatsoever nature which relate to or are a part of this Agreement shall be construed, for all purposes, solely and exclusively in accordance and pursuant to the laws of the State of Washington. The rights and obligations of Transmission Provider and Affected System Interconnection Customer shall be governed by the laws of the State of Washington. Venue of any action filed to enforce or interpret the provisions of this Agreement shall be exclusively in the Superior Court, County of Grant, State of Washington, or the Federal District Court for the Eastern District of Washington at Transmission Provider's sole option. In the event of litigation to enforce the provisions of this Agreement, the prevailing Party shall be entitled to reasonable legal fees in addition to any other relief allowed.
- 11.3 Neither Party may assign or delegate its rights or obligations pursuant to this Agreement without the prior written consent of the other Party. Such consent shall not be unreasonably withheld, conditioned, or delayed. This Agreement shall be binding not only upon the Parties hereto, but upon their assigns and successors as well.
- 11.4 No waiver of any provision of this Agreement, or any rights or obligations of either Party under this Agreement, shall be effective, except pursuant to a written instrument signed by the Party or Parties waiving compliance, and any such waiver shall be effective only in the specific instance and for the specific purpose stated in such writing. The failure of either Party to require the performance of any term of this Agreement or the waiver of either Party of any breach under this Agreement shall not operate or be construed as a waiver of any other provision hereof, nor shall it be construed as a waiver of any subsequent breach by the other Party hereto.
- 11.5 Transmission Provider's LGIP, as amended from time to time, is incorporated into and constitutes part of this Agreement. In the event of a conflict, the terms and conditions of this Agreement shall prevail.
- 11.6 Each Party warrants and represents that:
- It is duly organized, validly existing and in good standing under the laws of the jurisdiction of its formation,

and that it is authorized to conduct business in the State of Washington.

- The execution, delivery and performance of this Agreement are within its powers, have been duly authorized by all necessary action and do not violate any of the terms and conditions in its governing documents, any contracts to which it is a party or any law, rule, regulation, or order applicable to it.

11.7 The Parties may execute this Agreement, and any modification to this Agreement that is required to be executed, in any number of counterparts and through electronic signature. Each counterpart and electronic signature will be deemed an original and all counterparts will constitute one agreement binding on both Parties.

IN WITNESS WHEREOF, the Parties have executed this Agreement in multiple originals, each of which shall constitute and be an original Agreement among the Parties.

Public Utility District No. 2
of Grant County, Washington

Affected System Interconnection Customer

By: _____

By: _____

Name: _____

Name: _____

Title: _____

Title: _____

Date: _____

Date: _____

Project No. _____

Affected System Interconnection Customer

By: _____

Name: _____

Title: _____

Date: _____

Project No. _____

**AFFECTED SYSTEM NETWORK UPGRADE(S), COST ESTIMATES AND RESPONSIBILITY,
CONSTRUCTION SCHEDULE, AND MONTHLY PAYMENT SCHEDULE**

This Appendix A is a part of the Multiparty Affected System Facilities Construction Agreement among Affected System Interconnection Customers and Transmission Provider.

1.1 Affected System Network Upgrade(s) to be installed by Transmission Provider.

{description}

1.2 First Equipment Order (including permitting).

{description}

1.2.1. Permitting, Land Rights, and NCRRP – Transmission Provider Affected System Network Upgrade(s)

{description}

1.3 Estimated Construction Schedule. Where applicable, construction of the Affected System Network Upgrade(s) is scheduled as follows and will be periodically updated as necessary:

Table 3: Transmission Provider Construction Activities

Milestone No.	Description	Estimated Start Date	Estimated End Date

Note: Construction schedule assumes that Transmission Provider has obtained final authorizations and security from Affected System Interconnection Customers and all necessary permits from Governmental Authorities as necessary prerequisites to commence construction of any of the Affected System Network Upgrade(s).

1.4 Payment Schedule.

1.4.1 Timing of and Adjustments to Affected System Interconnection Customers' Payments and Security.

{description}

1.4.2 Monthly Payment Schedule. Affected System Interconnection Customers' payment schedule is as follows.

{description}

Table 4: Affected System Interconnection Customers’ Payment/Security Obligations for Affected System Network Upgrade(s).

Milestone No.	Description	Date

* Affected System Interconnection Customers’ proportionate responsibility for each payment is as follows:

Affected System Interconnection Customer 1 _____.%

Affected System Interconnection Customer 2 _____.%

Affected System Interconnection Customer N _____.%

Note: Affected System Interconnection Customers’ payment or provision of security as provided in this Agreement operates as a condition precedent to Transmission Provider’s obligations to construct any Affected System Network Upgrade(s), and failure to meet this schedule will constitute a Breach pursuant to Section 5.1 of this Agreement.

1.5 Permits, Licenses, and Authorizations.

{description}

NOTIFICATION OF COMPLETED CONSTRUCTION

This Appendix B is a part of the Multiparty Affected System Facilities Construction Agreement among Affected System Interconnection Customers and Transmission Provider. Where applicable, when Transmission Provider has completed construction of the Affected System Network Upgrade(s), Transmission Provider shall send notice to Affected System Interconnection Customers in substantially the form following:

{Date}

{Affected System Interconnection Customers Addresses}

Re: Completion of Affected System Network Upgrade(s)

Dear {Name or Title}:

This letter is sent pursuant to the Multiparty Affected System Facilities Construction Agreement among {Transmission Provider} and {Affected System Interconnection Customers}, dated _____, 20__.

On {Date}, Transmission Provider completed to its satisfaction all work on the Affected System Network Upgrade(s) required to facilitate the safe and reliable interconnection and operation of Affected System Interconnection Customer's generating facilities. Transmission Provider confirms that the Affected System Network Upgrade(s) are in place.

Thank you.

{Signature}

{Transmission Provider Representative}

Attachment C to Appendix 10
Multiparty Affected System Facilities Construction Agreement

EXHIBITS

This Appendix C is a part of the Multiparty Affected System Facilities Construction Agreement among Affected System Interconnection Customers and Transmission Provider.

Exhibit A1
Transmission Provider Site Map

Exhibit A2
Site Plan

Exhibit A3
Affected System Network Upgrade(s) Plan & Profile

Exhibit A4
Estimated Cost of Affected System Network Upgrade(s)

	Location	Facilities to Be Constructed by Transmission Provider	Estimate in Dollars
		Total:	

APPENDIX 5 TO LGIP
PUBLIC UTILITY DISTRICT NO. 2 GRANT COUNTY, WASHINGTON
STANDARD LARGE GENERATOR INTERCONNECTION AGREEMENT (LGIA)
CONTRACT NO. [ContractNo3]

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INTERCONNECTION AGREEMENT

This Standard Large Generator Interconnection Agreement (“Agreement”) is made and entered into by and between Public Utility District No. 2 of Grant County, Washington, a municipal corporation organized and existing under the laws of the State of Washington (“Grant PUD”) and [CounterpartyTitle], a _____ organized and existing under the laws of the State of _____ (“Customer”). Grant PUD and Customer each may be referred to as a “Party” or collectively as the “Parties.”

RECITALS

WHEREAS, Grant PUD operates the Transmission System to which Customer intends to interconnect; and

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

WHEREAS, Customer has submitted an Application for Interconnection dated _____;

WHEREAS, Grant PUD has completed all required studies to determine requirements to make Interconnection Service available on its Transmission System to accommodate Customer’s Interconnection Request; and

WHEREAS, Customer and Grant PUD have agreed to enter into this Agreement for the purpose of interconnecting the Generating Facility with the Transmission System.

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

1. Definitions

When used in this Agreement with initial capitalization, whether in the singular or plural, the following terms shall have the meanings specified in this Section 1. Certain other terms are defined where they first appear throughout the body of this Agreement. A capitalized term that is not defined in this Agreement shall have the definition in the Tariff, the LGIP or the official NERC definition, if one exists.

Adjusted Prime Rate – A rate equal to 3.0% above the per annum prime rate, or its successor, as reported daily in the Wall Street Journal. In the event the Wall Street Journal no longer publishes the Prime Rate or a successor to the Prime Rate, the Parties will work together to determine a successor rate that is considered comparable to the Prime Rate.

Affected System - An electric system other than Grant PUD's Transmission System that may be affected by the proposed interconnection.

Affected System Operator - The entity that operates an Affected System.

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

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

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.

Applicable Reliability Council - The Reliability Council (an entity operating under a delegation agreement from NERC) applicable to the Transmission System to which the Generating Facility is directly interconnected.

Applicable Reliability Standards - The requirements and guidelines of the Electric Reliability Organization, and the Balancing Authority Area of the Transmission System to which the Generating Facility is directly interconnected.

Balancing Authority – The responsible entity that integrates resource plans ahead of time, maintains Demand and resource balance within a Balancing Authority Area, and supports Interconnection frequency in real time.

Balancing Authority Area – The collection of generation, transmission, and loads within the metered boundaries of the Balancing Authority. The Balancing Authority maintains load-resource balance within this area.

Breach - The failure of a Party to perform or observe any material term or condition of this Agreement.

Breaching Party - A Party that is in Breach of this Agreement.

Business Day - Monday through Friday, excluding Federal Holidays.

Calendar Day - Any day including Saturday, Sunday, or a Federal Holiday.

Cluster - A group of one or more Interconnection Requests that are studied together for the purpose of conducting a Cluster Study.

Cluster Restudy - A restudy of a Cluster Study conducted pursuant to Section 7.5 of the LGIP.

Cluster Study - The evaluation of one or more Interconnection Requests within a Cluster as described in Section 7 of the LGIP.

Clustering - The process whereby one or more Interconnection Requests are studied together, instead of serially, as described in Section 7 of the LGIP.

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

Commercial Operation Date - The date on which the Generating Facility commences Commercial Operation as agreed to by the Parties pursuant to Appendix E to this Agreement.

Confidential Information - 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.

Curtail or Curtailment – Any reduction in Customer generation that is required by Grant PUD or its agent.

Customer's Interconnection Facilities - All facilities and equipment, as identified in Appendix A of this Agreement, that are located between the Generating Facility and the Point of Change of Ownership, including any modification, Material Modification, addition, or upgrades to such facilities and equipment necessary to physically and electrically interconnect the Generating Facility to Grant PUD's Transmission System. Customer's Interconnection Facilities are sole use facilities of Customer.

Default - The failure of a Breaching Party to cure its Breach in accordance with Section 17 of this Agreement.

Distribution System - Grant PUD'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 Grant PUD'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 Customer's wholesale sale of electricity in interstate commerce. Distribution Upgrades do not include and are not included in Interconnection Facilities.

Effective Date - The date on which this Agreement becomes effective upon execution by the Parties.

Electric Reliability Organization - The North American Electric Reliability Corporation (NERC) or its successor organization.

Emergency Condition - 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 Grant PUD, is imminently likely (as determined in a non-discriminatory manner) to cause a material adverse effect on the security of, or damage to Grant PUD's Transmission System, Grant PUD's Interconnection Facilities or the electric systems of others to which Grant PUD's Transmission System is directly connected; or (3) that, in the case of 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, Customer's Interconnection Facilities, or Grant PUD Facilities. System restoration and black start shall be considered Emergency Conditions; provided, that Customer is not obligated by this Agreement to possess black start capability.

Energy Resource Interconnection Service - An Interconnection Service that allows Customer to connect its Generating Facility to Grant PUD's Transmission System to be eligible to deliver the Generating Facility's electric output using the existing firm or non-firm capacity of Grant PUD's

Transmission System on an as available basis. Energy Resource Interconnection Service in and of itself does not convey transmission service.

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

Federal Power Act - The Federal Power Act, as amended, 16 U.S.C. §§ 791a et seq.

FERC -The Federal Energy Regulatory Commission or its successor.

Force Majeure - Any act of God, labor disturbance, act of the public enemy, war, insurrection, riot, fire, storm or flood, explosion, epidemic or pandemic, 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 - Customer's device(s) for the production and/or storage for later injection of electricity identified in the Interconnection Request but shall not include Customer's Interconnection Facilities.

Generating Facility Capacity – The net capacity of the Generating Facility or the aggregate net capacity of the Generating Facility where it includes more than one device for the production and/or storage for later injection of electricity.

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 Customer, Grant PUD, or any Affiliate thereof.

Grant PUD's Interconnection Facilities - All facilities and equipment owned, controlled or operated by Grant PUD from the Point of Change of Ownership to the Point of Interconnection as identified in Appendix A to this Agreement, including any modifications, Material Modifications, additions or upgrades to such facilities and equipment. Grant PUD's Interconnection Facilities are sole use facilities and shall not include Distribution Upgrades or Network Upgrades.

Hazardous Substances - 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 - The date upon which the Generating Facility is initially synchronized and upon which Trial Operation begins.

In-Service Date - The date upon which Grant PUD's Interconnection Facilities are reasonably expected to be available for energization and use.

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

Interconnection Facilities Study - A study conducted by Grant PUD or a third-party consultant for Customer to determine a list of facilities (including Grant PUD's Interconnection Facilities and Network Upgrades as identified in *Cluster Study*), the cost of those facilities, and the time required to interconnect the Generating Facility with Grant PUD's Transmission System.

Interconnection Request – An applicable customer's request to interconnect a new Generating Facility, or to increase the capacity of, or make a Material Modification to the operating characteristics of, an existing Generating Facility that is interconnected to Grant PUD's Transmission System.

Interconnection Service - The service provided by Grant PUD associated with interconnecting Customer's Generating Facility to Grant PUD's Transmission System and enabling Grant PUD to receive electric energy and capacity from the Generating Facility at the Point of Interconnection, pursuant to the terms of this Agreement and applicable business practices of Grant PUD.

Interconnection Study - Any of the following studies: the Cluster Study, the Cluster Restudy, the Surplus Interconnection Service study, the Interconnection Facilities Study, the Affected System Study, the Operational Interconnection Study, and a Material Modification assessment, described in the LGIP.

Inverter Based Resource (IBR) – A plant/facility consisting of individual devices that are capable of exporting Real Power through a power electronic interface(s) such as an inverter or converter, and that are operated together as a single resource at a common point of interconnection to the electric system. Examples include, but are not limited to, plants/facilities with solar photovoltaic (PV), Type 3 and Type 4 wind, battery energy storage system (BESS), and fuel cell devices.

Joint Operating Committee - A group made up of representatives from Customer and Grant PUD to coordinate operating and technical considerations of Interconnection Service.

Large Generating Facility – a Generating Facility having a Generating Facility Capacity of more than 20 MW.

LGIA Deposit - The deposit Customer submits in accordance with Section 11.3 of the LGIP which is referenced as an LGIA Deposit in the LGIP.

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

Material Modification - Those modifications that have a material impact on the cost or timing of any Interconnection Request with an equal or later Queue Position.

Metering Equipment - All metering equipment installed or to be installed at or near the Generating Facility pursuant to this Agreement at the defined metering points, including but not limited to instrument transformers, MWh-meters, data acquisition equipment, transducers, remote terminal unit(s), communications equipment, phone lines, microwave communications, and fiber optics.

Natural and Cultural Resource Review Process (NCRRP) – A project review process conducted by Grant PUD, or its designee, to ensure compliance with environmental permitting, land use permitting, and cultural resources.

Network Resource - Any designated generating resource owned, purchased, or leased by a Network Customer for the purpose of using Network Integration Transmission Service. Network Resources do not include any resource, or any portion thereof, that is committed for sale to third parties or otherwise cannot be called upon to meet the Network Customer's Network Load on a non-interruptible basis.

Network Resource Interconnection Service - An Interconnection Service that allows Customer to integrate its Generating Facility with Grant PUD Transmission System in a manner comparable to that in which Grant PUD integrates its generating facilities to serve native load customers. Network Resource Interconnection Service in and of itself does not convey transmission service.

Network Upgrades - The additions, modifications, and upgrades to Grant PUD's Transmission System required at or beyond the point at which the Interconnection Facilities connect to Grant PUD's Transmission System to accommodate the interconnection of the Generating Facility to Grant PUD's Transmission System.

Non-Usage – Non-Usage refers to charges that do not depend on any output of energy by the facility. For instance, a firm reservation charge that is paid regardless of whether any generation occurred, is a Non-Usage based charge. Charges that depend on a measurement of energy or demand do not qualify as Non-Usage charges.

Notice of Dispute - A written notice of a dispute or claim that arises out of or in connection with this Agreement or its performance.

Point of Change of Ownership - The point, as set forth in Appendix A to this Agreement, where Customer's Interconnection Facilities connect to Grant PUD's Interconnection Facilities.

Point of Interconnection - The point, as set forth in Appendix A to this Agreement, where the Interconnection Facilities connect to Grant PUD's Transmission System.

Power System Stabilizers – Devices used to minimize real power oscillations on the Transmission System.

Predicate Facilities - Those unbuilt Interconnection Facilities and Network Upgrades upon which the Interconnection Request's costs, timing, and study findings are dependent, and if delayed or not built, could cause a need for restudies of the Interconnection Request or a reassessment of the Interconnection Facilities and/or Network Upgrades and/or costs and timing.

Queue Position - The order of a valid Interconnection Request, relative to all other pending valid Interconnection Requests, established pursuant to Section 4.1 of the LGIP.

Real Time Data - Data concerning time, activity, and state of operations in analog and/or digital format transmitted with a latency and sampling rate as specified by Grant PUD.

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

Site Control - The exclusive land right to develop, construct, operate, and maintain the Generating Facility over the term of expected operation of the Generating Facility. Site Control may be demonstrated by documentation establishing: (1) ownership of, a leasehold interest in, or a right to develop a site of sufficient size to construct and operate the Generating Facility; (2) an option to purchase or acquire a leasehold site of sufficient size to construct and operate the Generating Facility for such purpose; or (3) any other documentation that clearly demonstrates the right of Customer to exclusively occupy a site of sufficient size to construct and operate the Generating Facility. Grant PUD will maintain acreage requirements for each Generating Facility type on its OASIS or public website.

Standard Large Generator Interconnection Agreement (LGIA) - The form of interconnection agreement applicable to an Interconnection Request pertaining to a Large Generating Facility.

Standard Large Generator Interconnection Procedures (LGIP) The interconnection procedures applicable to an Interconnection Request pertaining to a Large Generating Facility.

System Operator - An individual at a Control Center of a Balancing Authority, Transmission Operator, or Reliability Coordinator, who operates or directs the operation of the Bulk Electric System (BES) in Real-time.

System Protection Facilities - The equipment, including necessary protection signal communications equipment, required to protect (1) Grant PUD'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 Grant PUD's Transmission System or on other delivery systems or other generating systems to which Grant PUD's Transmission System is directly connected.

Tariff - The Grant PUD Open Access Transmission Tariff as approved by the Grant PUD Board of Commissioners, or any agreement executed between Customer and Grant PUD governing transmission service and interconnection service prior to the Grant PUD Board of Commissioners' approval of an Open Access Transmission Tariff.

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

Transmission System - The facilities owned, controlled or operated by Grant PUD or other Transmission Owner that are used to provide transmission service.

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

Variable Energy Resource - A device for the production of electricity that is characterized by an energy source that: (1) is renewable (2) has variability that is beyond the control of the facility owner or operator; and (3) does not have sufficient storage capability to provide true scheduling capability in the appropriate scheduling periods.

Withdrawal Penalty - The penalty assessed by Grant PUD to Customer if Customer chooses to withdraw or is deemed withdrawn from Grant PUD's interconnection queue or whose Generating Facility does not otherwise reach Commercial Operation as determined by Grant PUD. The calculation of the Withdrawal Penalty is set forth in Section 3.7.1 of the LGIP.

2. **Effective Date, Term, and Termination**

2.1 Effective Date. This Agreement shall become effective upon the last signature date. In the event Customer fails to execute this Agreement within 30 days following execution by Grant PUD, this Agreement will be of no force or effect, and neither Customer nor Grant PUD will have any rights or obligations hereunder.

2.2 Term of Agreement. Subject to the provisions of Section 2.3, this Agreement shall remain in effect for a period of ten (10) years from the Effective Date and shall be automatically renewed for each successive one-year period thereafter unless at the time the Parties mutually agree to alter or terminate the Agreement.

2.3 Termination Procedures

2.3.1 Written Notice. This Agreement may be terminated by Customer after giving Grant PUD ninety (90) Calendar Days advance written notice, or by Grant PUD after the Generating Facility permanently ceases Commercial Operation as determined by Grant PUD.

2.3.2 Default. Either Party may terminate this Agreement in accordance with Section 17.

2.4 Termination Costs. If a Party elects to terminate this Agreement pursuant to Section 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 Agreement. In the event of termination by a Party, the Parties shall use Reasonable Efforts to mitigate the costs, damages and charges arising as a consequence of termination. Upon termination of this Agreement:

- 2.4.1** With respect to any portion of Grant PUD's Interconnection Facilities that have not yet been constructed or installed, Grant PUD shall to the extent possible and with 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 Customer elects not to authorize such cancellation, Customer shall assume all payment obligations with respect to such materials, equipment, and contracts, and Grant PUD shall deliver such material and equipment, and, if necessary, assign such contracts, to Customer as soon as practicable, at Customer's expense. To the extent that Customer has already paid Grant PUD for any or all such costs of materials or equipment not taken by Customer, Grant PUD shall refund such amounts to Customer, less any costs, including penalties, fees, or charges incurred by Grant PUD to cancel any pending orders of or return such materials, equipment, or contracts.

If Customer terminates this Agreement, it shall be responsible for all costs incurred in association with that 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 Grant PUD has incurred expenses and has not been reimbursed by Customer.

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

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

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

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

3. Regulatory Filings

- 3.1 Filing.** Grant PUD may file this Agreement (and any amendment hereto) with the appropriate Governmental Authority, as necessary. Customer shall reasonably cooperate with Grant PUD with respect to such filing(s) and provide any information reasonably requested by Grant PUD needed to comply with applicable regulatory requirements.

4. Scope of Service

4.1 Service Options

4.1.1 Energy Resource Interconnection Service

4.1.1.1 The Product. Energy Resource Interconnection Service allows Customer to connect the Generating Facility to the Transmission System and be eligible to deliver the Generating Facility's output using the existing firm or non-firm capacity of the Transmission System on an as available basis. To the extent Customer wants to receive Energy Resource Interconnection Service, Grant PUD shall construct Grant PUD owned and operated facilities identified in Appendix A.

4.1.1.2 Transmission Service Implications. Under Energy Resource Interconnection Service, Customer shall be eligible to inject power from the Generating Facility across the Point of Interconnection and to Grant PUD's Transmission System on an as available basis up to the amount of MWs identified in the applicable transient and voltage stability and steady state studies as performed by, or on behalf of, Grant PUD to the extent the upgrades initially required to qualify for Energy Resource Interconnection Service have been constructed and energized.

If the Grant PUD Balancing Authority becomes part of an organized market, Grant PUD shall work in good faith with Customer to assist with participation in the organized market.

No transmission service from the Generating Facility is assured, but Customer may obtain transmission service pursuant to Grant PUD's policies to provide such service, up to the maximum output identified in the applicable transient and voltage stability and steady state studies as performed by, or on behalf of, Grant PUD. In those instances, in order for Customer to obtain the right to deliver or inject power beyond the Generating Facility Point of Interconnection or to improve its ability to do so, transmission service must be obtained from Grant PUD. Customer's ability to inject its Generating Facility output beyond the Point of Interconnection, therefore, will depend on the existing capacity of Grant PUD's Transmission System at such time as a transmission service request is made that would accommodate such delivery. The provision of firm transmission service may require the construction of additional Network Upgrades.

4.1.2 Network Resource Integration Service

4.1.2.1 The Product. Grant PUD must conduct the necessary studies and construct the Network Upgrades needed to integrate the Generating Facility (1) in a manner comparable to that in which Grant PUD 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 Customer

wants to receive Network Resource Interconnection Service, Grant PUD shall construct the facilities identified in Attachment A to this Agreement.

4.1.2.2 Transmission Delivery Service Implications. Network Resource Interconnection Service allows Customer's Generating Facility to be designated by any Network Customer as a Network Resource, up to the Generating Facility's full output, on the same basis as existing Network Resources interconnected to Grant PUD'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 can utilize its network service to obtain delivery of energy from the interconnected Customer's Generating Facility in the same manner as it accesses Network Resources. A 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 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 Customer's 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, 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 Customer with the capability to physically deliver the output of its Generating Facility to any particular load on Grant PUD's Transmission System without incurring congestion costs. In the event of transmission constraints on Grant PUD's Transmission System, Customer's Generating Facility shall be subject to the applicable congestion management procedures in Grant PUD'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 Customer's Generating Facility be designated as a Network Resource by a Network Service Customer or that Customer identify a specific buyer (or sink). To the extent a Network Customer does designate the Generating Facility as a Network Resource, it must do so pursuant to Grant PUD's Tariff.

Once Customer satisfies the requirements for obtaining Network Resource Interconnection Service, any future transmission service

request for delivery from the Generating Facility within Grant PUD'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 Generating Facility be undertaken, regardless of whether or not such Generating Facility is ever designated by a Network Customer as a Network Resource and regardless of changes in ownership of the Generating Facility. However, the reduction or elimination of congestion costs may require additional studies and the construction of additional upgrades.

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

- 4.2 Provision of Service.** Grant PUD shall provide Interconnection Service for the Generating Facility at the Point of Interconnection.
- 4.3 Performance Standards.** Each Party shall perform all of its obligations under this Agreement in accordance with Applicable Laws and Regulations, Applicable Reliability Standards, and Good Utility Practice, and to the extent a Party is required or prevented or limited in taking any action by such regulations and standards, such Party shall not be deemed to be in Breach of this Agreement for its compliance therewith.
- 4.4 No Transmission Service.** The execution of this Agreement does not constitute a request for, nor the provision of, any transmission service by Grant PUD and does not convey any right to deliver electricity to any specific customer or Point of Delivery.
- 4.5 Customer Provided Services.** Services provided by Customer under this Agreement are set forth in Section 13.4.1. Customer shall be paid for such services in accordance with Section 11.6.
- 4.6 Subject to Open Access Transmission Tariff ("OATT").** In the event the Grant PUD Board of Commissioners approves an Open Access Transmission Tariff, Grant PUD may convert service under this Agreement to any future OATT as applicable; provided that the Parties shall use Reasonable Efforts to ensure that the operation of the Generating Facility, the Interconnection Facilities, and the Generating Facility's interconnection with the Transmission System are maintained in the manner as set forth in this Agreement and to preserve the relative rights and obligations of the Parties under this Agreement.

5. Interconnection Facilities Design, Procurement, and Construction

- 5.1 Scope.** Grant PUD shall design, procure, and construct Grant PUD's Interconnection Facilities and Network Upgrades, using Reasonable Efforts to complete Grant PUD's Interconnection Facilities and Network Upgrades by the dates set forth in Appendix B, Milestones. Grant PUD 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 Grant PUD reasonably expects that it will not be able to complete

Grant PUD's Interconnection Facilities and Network Upgrades by the specified dates, Grant PUD shall provide written notice to Customer and shall undertake Reasonable Efforts to meet the earliest dates thereafter.

Design shall include all the tasks necessary to fully construct Grant PUD's Interconnection Facilities and Network Upgrades including a Natural and Cultural Resource Review Process.

- 5.2 Power System Stabilizers.** Customer shall procure, install, maintain and operate Power System Stabilizers in accordance with the guidelines and procedures established by the Electric Reliability Organization. Grant PUD reserves the right to reasonably establish minimum acceptable settings for any installed Power System Stabilizers, subject to the design and operating limitations of the Generating Facility. If the Generating Facility's Power System Stabilizers are removed from service or not capable of automatic operation, Customer shall immediately notify Grant PUD's System Operator, or its designated representative. The Generating Facility will not be online when Power System Stabilizers are not in service and capable of automatic operation.
- 5.3 Design and Equipment Procurement.** Grant PUD shall commence scheduling design of Grant PUD's Interconnection Facilities and/or Network Upgrades and procure necessary equipment as soon as practicable after the following conditions are satisfied:
- 5.3.1** Grant PUD has completed the applicable Interconnection Facilities Study;
 - 5.3.2** Grant PUD has received written authorization to proceed with design and procurement from Customer;
 - 5.3.3** Customer has proven Site Control to Grant PUD;
 - 5.3.4** Customer has provided security to Grant PUD in accordance with Section 11.5; and
 - 5.3.5** Customer has provided a certificate of insurance to Grant PUD in accordance with Section 18.3.
- 5.4 Construction Commencement.** Grant PUD shall commence work on the construction schedule of Grant PUD's Interconnection Facilities and Network Upgrades for which it is responsible as soon as practicable after the following additional conditions are satisfied:
- 5.4.1** Approval of the appropriate Governmental Authority has been obtained for any facilities requiring regulatory approval;
 - 5.4.2** Necessary real property rights and rights-of-way have been obtained, to the extent required for the construction of a discrete aspect of Grant PUD's Interconnection Facilities and Network Upgrades; and
 - 5.4.3** Grant PUD has received written authorization to proceed with construction from Customer.
- 5.5 Work Progress.** The Parties shall keep each other advised, at least quarterly, 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, Customer determines that the completion of Grant PUD's Interconnection Facilities will not be required until after the specified In-Service Date, Customer shall, at that time, provide written notice to Grant PUD of such later date upon which the completion of Grant PUD's Interconnection Facilities will be required.

5.6 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 Grant PUD's Transmission System and shall work diligently and in good faith to make any necessary design changes.

5.7 Other Interconnection Options.

5.7.1 Limited Operation. If any of Grant PUD's Interconnection Facilities or Network Upgrades are not reasonably expected to be completed prior to the Commercial Operation Date of the Generating Facility, Grant PUD may, upon the request and at the expense of Customer, perform operating studies to determine the extent to which the Generating Facility and Customer's Interconnection Facilities may operate prior to the completion of Grant PUD's Interconnection Facilities or Network Upgrades consistent with Applicable Laws and Regulations, Applicable Reliability Standards, Good Utility Practice, and this Agreement. Grant PUD shall permit Customer to operate the Generating Facility and Customer's Interconnection Facilities in accordance with the results of such studies.

5.8 Customer's Interconnection Facilities (CIF). Customer shall, at its expense, design, procure, construct, own and install the CIF, as set forth in Appendix A, Interconnection Facilities, Network Upgrades and Distribution Upgrades.

5.8.1 Customer's Interconnection Facility Specifications. Customer shall submit specifications for the CIF, including System Protection Facilities, to Grant PUD in accordance with Appendix B – Milestones. Grant PUD shall review such specifications to ensure that the CIF are compatible with the technical specifications, operational control, and safety requirements of Grant PUD and comment on such specifications within 60 Calendar Days of Customer's submission. All specifications provided hereunder shall be deemed confidential.

5.8.2 Grant PUD's Review. Grant PUD's review of Customer's final specifications shall not be construed as confirming, endorsing, or providing a warranty as to the design, fitness, safety, durability or reliability of the Generating Facility, or the CIF. Customer shall make such changes to the CIF as may reasonably be required by Grant PUD, in accordance with Good Utility Practice, to ensure that the CIF are compatible with the technical specifications, operational control, and safety requirements of Grant PUD.

5.8.3 CIF Construction. The CIF shall be designed and constructed in accordance with Good Utility Practice. Within 120 Calendar Days after the Commercial Operation Date, unless the Parties agree on another mutually acceptable deadline, Customer shall deliver to Grant PUD record set drawings, information and documents for the CIF, such as: one-line and three-line

diagrams, a site plan showing the Generating Facility and the CIF, plan and elevation drawings showing the layout of the CIF, a relay functional diagram, relaying alternating current (AC) and direct current (DC) schematic wiring diagrams and relay settings for all facilities associated with Customer's step-up transformers, the facilities connecting the Generating Facility to the step-up transformers and the CIF, and the impedances (determined by factory tests) for the associated step-up transformers and the Generating Facility. Customer shall provide Grant PUD specifications for the excitation system, automatic voltage regulator, Generating Facility control and protection settings, transformer tap settings, and communications, if applicable.

Customer shall adhere to applicable requirements in Grant PUD's Contractor Safety Requirements, as amended or its successor document, when performing work on Grant PUD property or facilities.

- 5.9 Grant PUD's Interconnection Facilities Construction.** Grant PUD's Interconnection Facilities shall be designed and constructed in accordance with Good Utility Practice.
- 5.10 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, gate keys or access codes, licenses, rights of way and easements with respect to lands owned or controlled by the Granting Party, its agents (if allowed under the applicable agency agreement), or any Affiliate, that are necessary to enable the Access Party to obtain ingress and egress to construct, operate, maintain, repair, test (or witness testing), inspect, replace or remove facilities and equipment to: (i) interconnect the Generating Facility with the Transmission System; (ii) operate and maintain the Generating Facility, the Interconnection Facilities and the Transmission System; and (iii) disconnect or remove the Access Party's facilities and equipment upon termination of this Agreement. In exercising such licenses, rights of way and easements, 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.
- 5.11 Permits.** Grant PUD and 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.
- 5.12 Suspension.** Customer reserves the right, upon written notice to Grant PUD, to suspend at any time all work by Grant PUD associated with the construction and installation of Grant PUD's Interconnection Facilities and/or Network Upgrades required under this Agreement with the condition that Transmission System shall be left in a safe and reliable condition in accordance with Good Utility Practice and Grant PUD's safety and reliability criteria. In such event, Customer shall be responsible for all reasonable and necessary costs which Grant PUD (i) has incurred pursuant to this Agreement prior to the suspension and (ii) incurs in suspending such work, including any costs incurred to perform such work as may be necessary to ensure the safety of persons and property and the integrity of the Transmission System during such suspension and, if applicable, any costs incurred in connection with the cancellation or suspension of material, equipment and labor contracts which Grant PUD cannot reasonably avoid; provided, however, that prior to canceling or

suspending any such material, equipment or labor contract, Grant PUD shall obtain Customer's authorization to do so.

Grant PUD shall invoice Customer for such costs pursuant to Section 12 and shall use due diligence to minimize its costs. Customer shall pay such costs within 30 Calendar Days following receipt of the invoice. Payment in full must be received by Grant PUD prior to the recommencement of work. In the event Customer suspends work by Grant PUD required under this Agreement pursuant to this Section 5.12 and has not requested Grant PUD to recommence the work required under this Agreement on or before the expiration of two years following commencement of such suspension, this Agreement shall be deemed terminated. The two-year period shall begin on the date the suspension is requested, or the date of the written notice to Grant PUD, if no effective date of suspension is specified, whichever is earlier. Multiple requests to suspend work will cumulatively apply toward the two-year period.

- 5.13 Tax Status.** Each Party shall cooperate with the other to maintain the other Party's tax status. Nothing in this Agreement is intended to adversely affect Grant PUD's tax-exempt status with respect to the issuance of bonds including, but not limited to, local furnishing bonds.

5.14 Modification

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

Grant PUD will determine if modifications to Customer facilities will require Customer to submit an Interconnection Request and will inform Customer regarding this determination. In the case of Generating Facility modifications that do not require Customer to submit an Interconnection Request, Grant PUD shall provide, as soon as practicable, an estimate of any additional modifications to the Transmission System, Grant PUD's Interconnection Facilities or Network Upgrades necessitated by such Customer modification and a good faith estimate of the costs thereof.

- 5.14.2 Standards.** Any additions, modifications, or replacements made to a Party's facilities shall be designed, constructed and operated in accordance with this Agreement, Applicable Reliability Standards, and Good Utility Practice.

- 5.14.3 Modification Costs.** Customer shall not be directly assigned the costs of any additions, modifications, or replacements that Grant PUD makes to Grant

PUD's Interconnection Facilities or the Transmission System to facilitate the interconnection of a third party to Grant PUD's Interconnection Facilities or the Transmission System, or to provide transmission service to a third party. Customer shall be responsible for the costs of any additions, modifications, or replacements to Customer's Interconnection Facilities that may be necessary to maintain or upgrade such Customer's Interconnection Facilities consistent with Applicable Laws and Regulations, Applicable Reliability Standards or Good Utility Practice.

6. Testing and Inspection

6.1 Pre-Commercial Operation Date Testing and Modifications. Prior to the Commercial Operation Date, Grant PUD shall test Grant PUD's Interconnection Facilities and Network Upgrades and Customer shall test the Generating Facility and Customer's Interconnection Facilities to ensure their safe and reliable operation. The Customer shall perform tests and provide models that accurately simulate the behavior of the Generating Facility per NERC Applicable Reliability Standards. Similar testing may be required after initial operation according to Applicable Reliability Standards. Each Party shall make any modifications to its facilities that are found to be necessary as a result of such testing. Customer shall bear the cost of all such testing and modifications. Customer shall generate test energy at the Generating Facility only at which time it has arranged for the delivery of such test energy.

6.2 Post-Commercial Operation Date Testing and Modifications. Each Party shall at its own expense perform routine inspection and testing of its facilities and equipment in accordance with Good Utility Practice as may be necessary to ensure the continued interconnection of the Generating Facility with the Transmission System in a safe and reliable manner. The Customer shall perform tests and provide models that accurately simulate the behavior of the Generating Facility per NERC Applicable Reliability Standards. Additionally, Customer shall perform generation testing as directed by Grant PUD if performance issues are noted in or as a result of such tests.

Each Party shall have the right, upon ten (10) Business Days 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, after meeting appropriate safety/PPE security requirements at the requester's expense; (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, no more frequently than quarterly, as it deems necessary upon reasonable notice to the other Party. Any requests beyond this scope may result in costs to the requesting Party. The exercise or non-exercise by a Party of any such rights shall not be construed as an approval, endorsement or confirmation of any test,

element or condition of the Interconnection Facilities or the System Protection Facilities or other protective equipment or the operation thereof, or as a warranty as to the fitness, safety, desirability, or reliability of same. Any information that a Party obtains through the exercise of any of its rights under this Section 6.4 shall be deemed to be Confidential Information and treated pursuant to Section 22 of this Agreement.

7. Metering

- 7.1 General.** Each Party shall comply with the requirements of the Electric Reliability Organization or other authority, as applicable. Unless otherwise agreed by the Parties, Grant PUD shall install Metering Equipment at the Point of Interconnection prior to any operation of the Generating Facility and shall own, operate, test and maintain such Metering Equipment. Power flows to and from the Generating Facility shall be measured at or, at Grant PUD's option, compensated to, the Point of Interconnection. Grant PUD shall provide metering quantities, in analog and/or digital form, to Customer upon request. Customer shall bear all reasonable documented costs associated with the purchase, installation, operation, testing and maintenance of the Metering Equipment.
- 7.2 Check Meters.** 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 Grant PUD's meters. Such check meters shall be for check purposes only and shall not be used for the measurement of power flows for purposes of this Agreement, except as provided in Section 7.4 below. The check meters shall be subject at all reasonable times to inspection and examination by Grant PUD or its designee. The installation, operation and maintenance thereof shall be performed entirely by Customer in accordance with Good Utility Practice.
- 7.3 Standards.** Grant PUD shall install, calibrate, and test revenue quality Metering Equipment in accordance with applicable ANSI standards.
- 7.4 Testing of Metering Equipment.** Grant PUD shall inspect and test all Grant PUD-owned Metering Equipment upon installation and periodically thereafter as required by Grant PUD procedure or Applicable Reliability Council requirements. If requested to do so by Customer, Grant PUD shall, at Customer's expense, inspect or test Metering Equipment more frequently. Grant PUD shall give reasonable notice of the time when any inspection or test shall take place, and 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 Customer's expense, in order to provide accurate metering, unless the inaccuracy or defect is due to Grant PUD's failure to maintain, then Grant PUD 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, Grant PUD shall adjust the measurements by correcting all measurements for the period during which Metering Equipment was in error by using 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 Customer's expense, the metered data shall be telemetered to one or more locations designated by Grant PUD and one or more locations designated by Customer using a telecommunications protocol designated by Grant PUD. Such

telemetered data shall be used, under normal operating conditions, as the official measurement of the amount of energy delivered from the Generating Facility to the Point of Interconnection.

8. Communications

8.1 Customer Obligations. Customer shall maintain satisfactory operating communications on a 24/7 basis with Grant PUD's System Operator or representative designated by Grant PUD. Customer shall provide standard voice line and dedicated voice line at its Generating Facility control room or central dispatch facility through use of either the public telephone system, or a voice communications system that does not rely on the public telephone system. Customer shall also provide the dedicated data circuit(s) necessary to provide Customer data to Grant PUD as set forth in Appendix D, Security Arrangement Details. The data circuit(s) shall extend from the Generating Facility to the location(s) specified by Grant PUD. Any required maintenance of such communications equipment shall be performed by 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 and generation data.

8.2 Remote Terminal Unit. Prior to the Initial Synchronization Date of the Generating Facility, a remote terminal unit, or equivalent data collection and transfer equipment acceptable to the Parties, shall be installed by Customer, or by Grant PUD at Customer's expense, to gather accumulated and instantaneous data to be telemetered to the location(s) designated by Grant PUD through use of a dedicated point-to-point data circuit(s) as indicated in Section 8.1. The communication protocol for the data circuit(s) shall be specified by Grant PUD. Instantaneous bi-directional analog real power and reactive power flow data, hourly accumulator data, and 5-minute accumulator data information must be telemetered directly to the location(s) specified by Grant PUD.

Each Party shall 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. Customer whose Generating Facility contains at least one Variable Energy Resource shall provide meteorological and forced outage data to Grant PUD to the extent necessary for Grant PUD's development and deployment of power production forecasts and integration services for that class of Variable Energy Resource as specified in Appendix H. Generating Facility Data and Performance Requirements in Appendix H may change from time to time as determined by Grant PUD. Customer with a Variable Energy Resource having wind as the energy source, at a minimum, shall be required to provide Grant PUD with site-specific meteorological data including: temperature, wind speed, wind direction, and atmospheric pressure. Customer with a Variable Energy Resource having solar as the energy source, at a minimum, shall be required to provide Grant PUD with site-specific meteorological data

including: temperature, atmospheric pressure, irradiance and maximum expected irradiance based upon calendar date and time. Grant PUD and Customer whose Generating Facility contains 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. Customer whose Generating Facility contains a Variable Energy Resource also shall submit data to Grant PUD regarding all forced outages to the extent necessary for Grant PUD'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 Customer to Grant PUD, 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 Grant PUD.

9. Operations

- 9.1 General.** Each Party shall comply with the Electric Reliability Organization 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 Balancing Authority Area Notification.** At least nine months before Initial Synchronization Date, Customer shall notify Grant PUD in writing of the Balancing Authority Area in which the Generating Facility will be located. If Customer elects to locate the Generating Facility in a Balancing Authority Area other than the Balancing Authority Area in which the Generating Facility is physically located, and if permitted to do so by the relevant transmission tariffs and business practices, all necessary arrangements, including but not limited to those set forth in Section 7 and Section 8 of this Agreement, and remote Balancing Authority Area generator interchange agreements, if applicable, and the appropriate measures under such agreements, shall be executed and implemented prior to the placement of the Generating Facility in the other Balancing Authority Area.
- 9.3 Grant PUD Obligations.** Grant PUD shall cause the Transmission System and Grant PUD's Interconnection Facilities to be operated, maintained and controlled in a safe and reliable manner and in accordance with this Agreement. Grant PUD may provide operating instructions to Customer consistent with this Agreement and Grant PUD's operating protocols and procedures as they may change from time to time. Grant PUD will consider changes to its operating protocols and procedures proposed by Customer.
- 9.4 Customer Obligations.** Customer shall at its own expense, operate, maintain, and control the Generating Facility and Customer's Interconnection Facilities in a safe and reliable manner and in accordance with this Agreement. Customer shall operate the Generating Facility and Customer's Interconnection Facilities in accordance with all applicable requirements of the Balancing Authority Area and the Transmission System of which it is part, as such requirements are set forth in Appendix H, Generating Facility Data and Performance Requirements, of this Agreement. Appendix H will be modified by Grant PUD 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 H of this Agreement.

9.5 Start-Up and Synchronization. Consistent with the Parties' mutually acceptable procedures, Customer is responsible for the proper synchronization of the Generating Facility to Grant PUD's Transmission System.

9.6 Reactive Power and Primary Frequency Response.

9.6.1 Power Factor Design Criteria

9.6.1.1 Synchronous Generation. Customer shall design the Generating Facility to maintain a composite power delivery at continuous rated power output at the Point of Interconnection at a power factor within the range of 0.95 leading to 0.95 lagging, unless Grant PUD has established different requirements that apply to all synchronous generators in the Balancing Authority Area on a comparable basis.

9.6.1.2 Non-Synchronous Generation. Customer shall design the Generating Facility to maintain a composite power delivery at any non-zero power output within the range of 0.95 leading to 0.95 lagging measured at the Point of Interconnection as defined in this Agreement, unless Grant PUD has established a different power factor range that applies to all non-synchronous generators in the Balancing Authority Area on a comparable basis. This power factor range standard shall be dynamic and can be met using, for example, power electronics designed to supply this level of reactive capability (taking into account any limitations due to voltage level, real power output, etc.) or fixed and switched capacitors, or a combination of the two.

9.6.2 Voltage Schedules. Once Customer has synchronized the Generating Facility with the Transmission System, Grant PUD shall require Customer to operate the Generating Facility to produce or absorb reactive power within the design limitations of the Generating Facility set forth in Section 9.6.1 (Power Factor Design Criteria). Grant PUD's voltage schedules shall treat all sources of reactive power in the Balancing Authority Area in an equitable and not unduly discriminatory manner. Grant PUD shall exercise Reasonable Efforts to provide 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. Customer shall operate the Generating Facility to maintain the specified output voltage or power factor at the Point of Interconnection within the design limitations of the Generating Facility set forth in Section 9.6.1 (Power Factor Design Criteria). If Customer is unable to maintain the specified voltage or power factor, it shall promptly notify the Grant PUD System Operator.

9.6.2.1 Voltage Regulators. Whenever the Generating Facility is operated in parallel with the Transmission System and voltage regulators are capable of operation, Customer shall operate the Generating Facility with its voltage regulators in automatic operation. If the Generating Facility's voltage regulators are not capable at any time of such automatic operation, Customer shall immediately notify Grant PUD's

System Operator, or their designated representative, and ensure that such Generating Facility's reactive power production or absorption (measured in MVARs) are within the design capability of the Generating Facility's generating unit(s) and steady state stability limits. Customer shall not cause its Generating Facility to disconnect automatically or instantaneously from the Transmission System or trip any generating unit comprising the Generating Facility for an under or over frequency condition unless the abnormal frequency condition persists for a time period beyond the limits set forth in ANSI/IEEE Standard C37.106, NERC standards and associated guidelines governing IBRs, or such other standard as applied to other generators in the Balancing Authority Area on a comparable basis.

9.6.3 Inverter Based Resources: Customers shall be required to meet NERC standards and associated guidelines governing IBRs.

9.6.4 Primary Frequency Response. Customer shall ensure the primary frequency response capability of its Generating Facility by installing, maintaining, and operating a functioning governor or equivalent controls. The term “functioning governor or equivalent controls” as used herein shall mean the required hardware and/or software that provides frequency responsive real power control with the ability to sense changes in system frequency and autonomously adjust the Generating Facility’s real power output in accordance with the droop and deadband parameters and in the direction needed to correct frequency deviations. Customer is required to install a governor or equivalent controls with the capability of operating: (1) with a maximum 5 percent droop and ± 0.036 Hz deadband; or (2) in accordance with the relevant droop, deadband, and timely and sustained response settings from an approved Electric Reliability Organization Applicable Reliability Standard providing for equivalent or more stringent parameters. The droop characteristic shall be: (1) based on the nameplate capacity of the Generating Facility, and shall be linear in the range of frequencies between 59 to 61 Hz that are outside of the deadband parameter; or (2) based on an approved Electric Reliability Organization Applicable Reliability Standard providing for an equivalent or more stringent parameter. The deadband parameter shall be: the range of frequencies above and below nominal (60 Hz) in which the governor or equivalent controls is not expected to adjust the Generating Facility’s real power output in response to frequency deviations. The deadband shall be implemented: (1) without a step to the droop curve, that is, once the frequency deviation exceeds the deadband parameter, the expected change in the Generating Facility’s real power output in response to frequency deviations shall start from zero and then increase (for under-frequency deviations) or decrease (for over-frequency deviations) linearly in proportion to the magnitude of the frequency deviation; or (2) in accordance with an approved Electric Reliability Organization Applicable Reliability Standard providing for an equivalent or more stringent parameter. Customer shall notify Grant PUD that the primary frequency response capability of the Generating Facility has been tested and confirmed during commissioning. Once Customer has synchronized the Generating Facility with the Transmission System, Customer shall operate the Generating Facility consistent with the provisions specified in Sections 9.6.4.1 and 9.6.4.2 of this Agreement. The primary frequency response requirements contained herein shall apply to both synchronous and non-synchronous Generating Facilities.

9.6.4.1 Governor or Equivalent Controls. Whenever the Generating Facility is operated in parallel with the Transmission System, Customer shall operate the Generating Facility with its governor or equivalent controls in service and responsive to frequency. Customer shall: (1) in coordination with Grant PUD and/or the relevant Balancing Authority, set the deadband parameter to: (1) a maximum of ± 0.036 Hz and set the droop parameter to a maximum of 5 percent; or (2) implement the relevant droop and deadband settings from an approved Electric Reliability Organization Applicable Reliability Standard that provides for equivalent or more stringent parameters. Customer shall be required to provide the status and settings of the governor or equivalent controls to Grant PUD and/or the relevant Balancing Authority upon request. If Customer needs to operate the Generating Facility with its governor or equivalent controls not in service, Customer shall immediately notify Grant PUD and the relevant Balancing Authority, and provide both with the following information: (1) the operating status of the governor or equivalent controls (i.e., whether it is currently out of service or when it will be taken out of service); (2) the reasons for removing the governor or equivalent controls from service; and (3) a reasonable estimate of when the governor or equivalent controls will be returned to service. Customer shall make Reasonable Efforts to return its governor or equivalent controls into service as soon as practicable. Customer shall make Reasonable Efforts to keep outages of the Generating Facility's governor or equivalent controls to a minimum whenever the Generating Facility is operated in parallel with the Transmission System.

9.6.4.2 Timely and Sustained Response. Customer shall ensure that the Generating Facility's real power response to sustained frequency deviations outside of the deadband setting is automatically provided and shall begin immediately after frequency deviates outside of the deadband, and to the extent the Generating Facility has operating capability in the direction needed to correct the frequency deviation. Customer shall not block or otherwise inhibit the ability of the governor or equivalent controls to respond and shall ensure that the response is not inhibited, except under certain operational constraints including, but not limited to, ambient temperature limitations, physical energy limitations, outages of mechanical equipment, or regulatory requirements. The Generating Facility shall sustain the real power response at least until system frequency returns to a value within the deadband setting of the governor or equivalent controls. An approved Electric Reliability Organization Applicable Reliability Standard with equivalent or more stringent requirements shall supersede the above requirements.

9.6.4.3 Exemptions. Generating Facilities that are regulated by the United States Nuclear Regulatory Commission shall be exempt from Sections 9.6.4, 9.6.4.1, and 9.6.4.2 of this Agreement. Generating Facilities that are behind the meter generation that is sized-to-load (i.e., the

thermal load and the generation are near-balanced in real-time operation and the generation is primarily controlled to maintain the unique thermal, chemical, or mechanical output necessary for the operating requirements of its host facility) shall be required to install primary frequency response capability in accordance with the droop and deadband capability requirements specified in Section 9.6.4, but shall be otherwise exempt from the operating requirements in Sections 9.6.4, 9.6.4.1, 9.6.4.2, and 9.6.4.4 of this Agreement.

9.6.4.4 Electric Storage Resources. Customer interconnecting a Generating Facility that contains an electric storage resource shall establish an operating range which will be included in Appendix H of this Agreement that specifies a minimum state of charge and a maximum state of charge between which the electric storage resource will be required to provide primary frequency response consistent with the conditions set forth in Sections 9.6.4, 9.6.4.1, 9.6.4.2, and 9.6.4.3 of this Agreement. Appendix H shall specify whether the operating range is static or dynamic, and shall consider (1) the expected magnitude of frequency deviations in the interconnection; (2) the expected duration that system frequency will remain outside of the deadband parameter in the interconnection; (3) the expected incidence of frequency deviations outside of the deadband parameter in the interconnection; (4) the physical capabilities of the electric storage resource; (5) operational limitations of the electric storage resource due to manufacturer specifications; and (6) any other relevant factors agreed to by Grant PUD and Customer, and in consultation with the relevant transmission owner or Balancing Authority as appropriate. If the operating range is dynamic, then Appendix H must establish how frequently the operating range will be reevaluated and the factors that may be considered during its reevaluation.

Customer's electric storage resource is required to provide timely and sustained primary frequency response consistent with Section 9.6.4.2 of this Agreement when it is online and dispatched to inject electricity to the Transmission System and/or receive electricity from the Transmission System. This response excludes circumstances when the electric storage resource is not dispatched to inject electricity to the Transmission System and/or dispatched to receive electricity from the Transmission System. If Customer's electric storage resource is charging at the time of a frequency deviation outside of its deadband parameter, it is to increase (for over-frequency deviations) or decrease (for under-frequency deviations) the rate at which it is charging in accordance with its droop parameter. Customer's electric storage resource is not required to change from charging to discharging, or vice versa, unless the response necessitated by the droop and deadband settings requires it to do so and it is technically capable of making such a transition.

9.6.5 Modifications to Frequency Response Requirements: In the event the Electric Reliability Organization materially modifies the requirements to provide

frequency response, the Parties shall work in good faith to amend this Agreement as necessary.

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 shall 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. Grant PUD or its agent/Affiliate shall post scheduled outages of its transmission facilities on the Reliability Coordinator's industry coordinated outage management system such as the Reliability Coordinator's WebOMS or its successor. Customer shall submit its planned maintenance schedules for the Generating Facility to Grant PUD for a minimum of a rolling 24 month period. Customer shall update its planned maintenance schedules as necessary and with sufficient lead time to allow Grant PUD to meet study and posting requirements. Grant PUD may request 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.

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 to the Grant PUD System Operator.

9.7.2 Interruption of Service. If required by Good Utility Practice to do so, Grant PUD may require Customer to interrupt or Curtail deliveries of electricity if such delivery of electricity could adversely affect Grant PUD'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 Section 9.7.2:

- 9.7.2.1 The interruption or Curtailment shall continue only for so long as reasonably necessary under Good Utility Practice, and Customer shall be notified as soon as practicable when the interruption or Curtailment is no longer necessary;
- 9.7.2.2 Any such interruption or Curtailment shall be made on an equitable, non-discriminatory basis with respect to all generating facilities directly connected to the Transmission System, taking into account Grant PUD's legal, regulatory and operational constraints;
- 9.7.2.3 When the interruption or Curtailment must be made under circumstances which do not allow for advance notice, Grant PUD shall notify Customer by telephone as soon as practicable of the reasons for the Curtailment, interruption, or reduction, and, if known, its expected duration.
- 9.7.2.4 Except during the existence of an Emergency Condition, when the interruption or reduction can be scheduled without advance notice, Grant PUD shall notify Customer in advance regarding the timing of such scheduling and further notify Customer of the expected duration. Grant PUD shall coordinate with Customer using Good Utility Practice to schedule the interruption or reduction during periods of least impact to Customer and Grant PUD;
- 9.7.2.5 The Parties shall cooperate and coordinate with each other to the extent necessary in order to restore the Generating Facility, Interconnection Facilities, and the Transmission System to their normal operating state, consistent with system conditions and Good Utility Practice.

9.7.3 Ride Through Capability and Performance. The Transmission System is designed to automatically activate a load-shedding program as required by the Electric Reliability Organization in the event of an under-frequency system disturbance. Customer shall implement under-frequency and over-frequency relay set points for the Generating Facility as required by the Electric Reliability Organization to ensure frequency "ride through" capability of the Transmission System. Generating Facility response to frequency deviations of pre-determined magnitudes, both under-frequency and over-frequency deviations, shall be studied and coordinated with Grant PUD in accordance with Good Utility Practice. Customer shall also implement under-voltage and over-voltage relay set points, or equivalent electronic controls, as required by the Electric Reliability Organization to ensure voltage "ride through" capability of the Transmission System. 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, over-frequency, under-voltage, and over-voltage conditions, in accordance with Good Utility Practice and Electric Reliability Organization requirements and guidelines and consistent with any standards and guidelines that are applied to other Generating Facilities in the Balancing Authority Area on a comparable basis. For abnormal frequency conditions and voltage conditions within the "no trip zone" defined by reliability standard PRC-024-3 or successor mandatory ride through Applicable Reliability

Standards, the non-synchronous Generating Facility must ensure that, within any physical limitations of the Generating Facility, its control and protection settings are configured or set to (1) continue active power production during disturbance and post disturbance periods at pre-disturbance levels, unless reactive power priority mode is enabled or unless providing primary frequency response or fast frequency response; (2) minimize reductions in active power and remain within dynamic voltage and current limits, if reactive power priority mode is enabled, unless providing primary frequency response or fast frequency response; (3) not artificially limit dynamic reactive power capability during disturbances; and (4) return to pre-disturbance active power levels without artificial ramp rate limits if active power is reduced, unless providing primary frequency response or fast frequency response.

9.7.4 System Protection and Other Control Requirements.

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

9.7.4.2 Each Party's System 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 Section 6 and that meet the industry standards for electrical work (i.e., current shorting, etc.). 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 Customer's units.

9.7.4.5 Each Party shall test, operate and maintain System Protection Facilities and records in accordance with Good Utility Practice, or if required, NERC testing and record retention requirements.

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 required by regulatory standards or 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, Customer shall provide, install, own, and maintain relays, circuit breakers and all other devices necessary to remove any fault contribution of the Generating Facility to any short circuit occurring on the Transmission System not otherwise isolated by Grant PUD'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, an open air and visible disconnecting device or switch with load-interrupting capability located between the Generating Facility and the Transmission System at a site selected upon mutual agreement (not to be unreasonably withheld, conditioned or delayed) of the Parties. Customer shall be responsible for protection of the Generating Facility and 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. Customer shall be solely responsible to disconnect the Generating Facility and Customer's other equipment if conditions on the Transmission System could adversely affect the Generating Facility.

9.7.6 Power Quality. Neither Party's facilities shall cause excessive voltage flicker nor introduce excessive distortion to the sinusoidal voltage or current waves as defined by ANSI Standard C84.1-1989, in accordance with IEEE Standard 519, or any applicable superseding electric industry standard. 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. The Parties will comply with the rules based on the ownership of the equipment. Grant PUD rules will apply to Grant PUD equipment and Customer rules will apply to Customer equipment.

9.9 Use of Interconnection Facilities by Third Parties.

9.9.1 Purpose of Interconnection Facilities. Except as may be required by Applicable Laws and Regulations, or as otherwise agreed to among the Parties, the Interconnection Facilities shall be constructed for the sole purpose of interconnecting the Generating Facility to the 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 Grant PUD's Interconnection Facilities, or any part thereof, Customer shall 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 Grant PUD, the remaining depreciated value, all third party users, and 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, shall be allocated between Customer and any third party users based upon the pro rata use of the Interconnection Facilities by Grant PUD, all third party users, and Customer, in accordance with Applicable Laws and Regulations or upon some other mutually agreed upon methodology.

- 9.10 Disturbance Analysis Data Exchange.** The Parties shall cooperate with one another in the analysis of disturbances to either the Generating Facility or Grant PUD'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 either Good Utility Practice or NERC requirements.
- 9.11 Scheduling.** Customer shall conform to Grant PUD and/or WECC standard scheduling practices for purposes of scheduling energy and power from the Generating Facility.

10. Maintenance

- 10.1 Grant PUD Obligations.** Grant PUD shall maintain the Transmission System and Grant PUD's Interconnection Facilities in a safe and reliable manner and in accordance with this Agreement.
- 10.2 Customer Obligations.** Customer shall maintain the Generating Facility and Customer's Interconnection Facilities in a safe and reliable manner and in accordance with this Agreement.
- 10.3 Coordination.** The Parties shall confer regularly to coordinate the planning, scheduling and performance of preventive and corrective maintenance on the Generating Facility and the Interconnection Facilities.
- 10.4 Secondary Systems.** Each Party shall cooperate with the other in the inspection, maintenance, and testing of control or power circuits that operate below 600 volts, AC or DC, including, but not limited to, any hardware, control or protective devices, cables, conductors, electric raceways, secondary equipment panels, transducers, batteries, chargers, and potential 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, Customer shall be responsible for all reasonable expenses including overheads, associated with: (1) owning, operating, maintaining, repairing, and replacing Customer's Interconnection Facilities; and (2) operation, maintenance, repair and replacement of Grant PUD's Interconnection Facilities. The terms of payments made by Customer for costs described in this Section 10.5 are contained in Appendix C.

11. Performance Obligation

- 11.1 Customer Interconnection Facilities.** Customer shall design, procure, construct, install, own and/or control Customer Interconnection Facilities described in Appendix A, Interconnection Facilities, Network Upgrades and Distribution Upgrades, at its sole expense.
- 11.2 Grant PUD's Interconnection Facilities.** Grant PUD shall design, procure, construct, install, own and/or control Grant PUD's Interconnection Facilities described in Appendix A, Interconnection Facilities, Network Upgrades and Distribution Upgrades, at the sole expense of Customer.
- 11.3 Network Upgrades and Distribution Upgrades.** Grant PUD shall design, procure, construct, install, and own the Network Upgrades and Distribution Upgrades described in Appendix A, Interconnection Facilities, Network Upgrades and Distribution Upgrades. Customer shall be responsible for all costs related to Distribution Upgrades and Network Upgrades.
- 11.4 Transmission Credits.**

- 11.4.1 Repayment of Amounts Advanced for Network Upgrades.** Customer shall be entitled to a repayment, equal to the total amount paid to Grant PUD without interest, if any, for the Network Upgrades, as payments are made to Grant PUD for Non-Usage sensitive portion of payments made for transmission services with respect to the Generating Facility. Such repayment will occur by applying billing credits on Customer's bill for use of the Grant PUD Transmission System. Customer may assign such repayment rights to any person.

Notwithstanding the foregoing, Customer and Grant PUD may adopt any alternative payment schedule that is mutually agreeable so long as Grant PUD takes one of the following actions no later than five years from the Commercial Operation Date: (1) return to Customer any amounts advanced for Network Upgrades not previously repaid, or (2) declare in writing that Grant PUD will continue to provide payments to 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 20 years from the Commercial Operation Date.

If the Generating Facility fails to achieve Commercial Operation, but it or another Generating Facility is later constructed and makes use of the Network Upgrades, Grant PUD shall at that time reimburse Customer for the amounts advanced for the Network Upgrades. Such payment to Customer shall occur only after payment is received by Grant PUD from the Generating Facility that makes use of the Network Upgrades. The payments must be for Non-Usage sensitive portion of payments made for transmission services to Grant PUD for use of Grant PUD's Transmission System with respect to the later constructed Generating Facility. Before any such reimbursement can occur,

Customer is responsible for identifying the entity to which reimbursement must be made.

If the Generating Facility fails to achieve Commercial Operation, and neither it nor any other Generating Facility is constructed and makes use of the Network Upgrades, any balance remaining for cash paid by Customer for Network Upgrades shall be set to zero and thus be forfeited by Customer 20 years after the Effective Date of this Agreement.

11.4.2 Special Provisions for Affected Systems. Unless Grant PUD provides, under the Agreement, for the repayment of amounts advanced to Affected System Operator for Network Upgrades, 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 Customer to the Affected System Operator as well as the repayment by the Affected System Operator. Grant PUD shall have no obligation to effectuate an agreement between Customer and Affected System Operator.

11.5 Provision of Security. At least 30 Calendar Days prior to the commencement of the design, procurement, installation, or construction of a Grant PUD's Interconnection Facilities, Network Upgrades, or Distribution Upgrades, Customer shall provide to Grant PUD, at Customer's option, a guarantee, letter of credit or other form of security that is acceptable to Grant PUD and is consistent with the Uniform Commercial Code of the jurisdiction identified in Section 14.2.1. Such security for payment, as specified in Appendix B of this Agreement, shall be in an amount equal to 100% of the costs for designing, procuring, constructing, and installing the applicable portion of Grant PUD's Interconnection Facilities, Network Upgrades, or Distribution Upgrades and shall be reduced on a dollar-for-dollar basis for payments made to Grant PUD for these purposes. Grant PUD must use the LGIA Deposit as required in Section 11.3 of the LGIP before requiring Customer to submit security in addition to that LGIA Deposit. Grant PUD must specify, in Appendix B of this Agreement, the dates for which Customer must provide additional security for construction of each discrete portion of Grant PUD's Interconnection Facilities, Network Upgrades, or Distribution Upgrades and Customer must provide such additional security.

In addition:

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

11.5.2 The letter of credit must be issued by a financial institution acceptable to Grant PUD and must specify a reasonable expiration date.

11.6 Customer Compensation. If Grant PUD requests or directs Customer to provide a service pursuant to Section 13.4.1 of this Agreement, Grant PUD shall compensate Customer in accordance with 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. There shall be no compensation if there is no applicable rate schedule then in effect.

12. Invoice

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

12.2 Design, Procurement, and Construction Costs. Customer shall reimburse Grant PUD for actual costs incurred, including but not limited to contracted labor and consulting costs, Grant PUD labor costs, material, equipment, applicable overheads, permits, and applicable taxes, for the design, procurement, and construction of Grant PUD's Interconnection Facilities and Network Upgrades. Customer agrees to the estimated costs and payment schedule specified in Appendix B, Milestones.

Within six months after completion of the construction of Grant PUD's Interconnection Facilities and the Network Upgrades, Grant PUD shall perform a true up to determine the actual cost of the design, procurement, and construction of Grant PUD's Interconnection Facilities and the Network Upgrades and shall provide documentation of such costs to Customer in sufficient detail to enable Customer to compare the actual costs with the estimates and to ascertain deviations, if any, from the cost estimates. Any remaining amount due to Grant PUD, or refunds owed by Grant PUD, will be payable within 30 days following the completion of the true-up.

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 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 shall not constitute a waiver of any rights or claims either Party may have under this Agreement.

12.4 Late Payment. Interest shall be applied and accrue on past due balances until paid in accordance with Grant PUD's Customer Service Policy.

12.5 Disputes. In the event of a billing dispute between Grant PUD and Customer, Grant PUD shall continue to provide Interconnection Service under this Agreement as long as Customer: (i) continues to make all payments not in dispute; and (ii) pays to Grant PUD or into an independent escrow account the portion of the invoice in dispute, pending resolution of such dispute. If Customer fails to meet these two requirements for continuation of service, then Grant PUD may provide notice to Customer of a Default pursuant to Section 17. Within 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 in accordance with Grant PUD's Customer Service Policy.

13. Emergencies

- 13.1 Obligations.** Each Party shall comply with the Emergency Condition procedures of the applicable Reliability Coordinator, ISO/RTO, the Electric Reliability Organization, Applicable Laws and Regulations, and any emergency procedures agreed to by the Joint Operating Committee.
- 13.2 Notice.** Grant PUD shall notify Customer promptly when it becomes aware of an Emergency Condition that affects Grant PUD's Interconnection Facilities or the Transmission System that may reasonably be expected to affect Customer's operation of the Generating Facility or Customer's Interconnection Facilities. Customer shall notify Grant PUD promptly when it becomes aware of an Emergency Condition that affects the Generating Facility or Customer's Interconnection Facilities that may reasonably be expected to affect the Transmission System or Grant PUD'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 Customer's or Grant PUD'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.
- 13.3 Immediate Action.** Unless, in Customer's reasonable judgment, immediate action is required, Customer shall obtain the consent of Grant PUD, such consent to not be unreasonably withheld, prior to performing any manual switching operations at the Generating Facility or Customer's Interconnection Facilities in response to an Emergency Condition either declared by Grant PUD or otherwise regarding the Transmission System.
- 13.4 Grant PUD Authority**
- 13.4.1 General.** Grant PUD or its agent may take whatever actions or inactions with regard to the Transmission System or Grant PUD'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 Grant PUD's Interconnection Facilities, (iii) limit or prevent damage, and (iv) expedite restoration of service.

Grant PUD shall use Reasonable Efforts to minimize the effect of such actions or inactions on the Generating Facility or Customer's Interconnection Facilities. Grant PUD may, on the basis of technical considerations, require the Generating Facility to mitigate an Emergency Condition by taking actions necessary and limited in scope to remedy the Emergency Condition, including, but not limited to, directing Customer to shut-down, start-up, increase or decrease the real or reactive power output of the Generating Facility; implementing a reduction or disconnection pursuant to Section 13.4.2; directing Customer to assist with blackstart (if available) or restoration efforts; or altering the outage schedules of the Generating Facility and Customer's Interconnection Facilities. Customer shall comply with all of Grant PUD's operating instructions concerning Generating Facility real power and reactive power output within the manufacturer's design limitations of the Generating Facility's equipment that is in service and physically available for operation at the time, in compliance with Applicable Laws and Regulations.

13.4.2 Reduction and Disconnection. Grant PUD may Curtail Interconnection Service or disconnect the Generating Facility or Customer's Interconnection Facilities, when such, Curtailment or disconnection is necessary under Good Utility Practice due to Emergency Conditions. These rights are separate and distinct from any right of curtailment of Grant PUD pursuant to Grant PUD's Tariff. When Grant PUD can schedule the Curtailment or disconnection in advance, Grant PUD shall notify Customer of the reasons, timing and expected duration of the Curtailment or disconnection. Grant PUD shall coordinate with Customer using Good Utility Practice to schedule the Curtailment or disconnection during periods of least impact to Customer and Grant PUD. Any Curtailment or disconnection shall continue only for so long as reasonably necessary under Good Utility Practice. The Parties shall cooperate with each other to restore the Generating Facility, the Interconnection Facilities, and the Transmission System to their normal operating state as soon as practicable consistent with Good Utility Practice.

13.5 Customer Authority. Consistent with Good Utility Practice, this Agreement and Grant PUD's business practices, Customer may take actions or inactions with regard to the Generating Facility or Customer's Interconnection Facilities during an Emergency Condition in order to (i) preserve public health and safety, (ii) preserve the reliability of the Generating Facility or Customer's Interconnection Facilities, (iii) limit or prevent damage, and (iv) expedite restoration of service. Customer shall use Reasonable Efforts to minimize the effect of such actions or inactions on the Transmission System and Grant PUD's Interconnection Facilities. Grant PUD shall use Reasonable Efforts to assist Customer in such actions.

13.6 Limited Liability. Except as otherwise provided in Section 11.6 of this Agreement, neither Party shall be liable to the other for any action it takes in responding to an Emergency Condition so long as such action is made in good faith and is consistent with Good Utility Practice.

14. Regulatory Requirements and Governing Law

14.1 Regulatory Requirements. Each Party's obligations under this Agreement shall be subject to its receipt of any required approval or certificate from one or more Governmental Authorities in the form and substance satisfactory to the applying Party, or the Party making any required filings with, or providing notice to, such Governmental Authorities, and the expiration of any time period associated therewith. Each Party shall in good faith seek and use its Reasonable Efforts to obtain such other approvals. Nothing in this Agreement shall require 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 Agreement and each of its provisions shall be governed by the laws of the State of Washington, without regard to its conflicts of law principles. Venue of any action filed to enforce or interpret the provisions of this Agreement shall be exclusively in the Superior Court, County of Grant, State of Washington or the Federal District Court for

the Eastern District of Washington at Grant PUD's sole option. In the event of litigation to enforce the provisions of this Agreement, the prevailing party shall be entitled to reasonable legal fees in addition to any other relief allowed.

14.2.2 This Agreement 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.

14.3 Agreement to Cooperate. The Parties shall reasonably cooperate when one of the Parties is subject to a regulatory inquiry or audit by NERC or WECC or their replacement organizations and the subject of the inquiry or audit is affected by the interconnection between the two Parties.

15. Notices

15.1 General. Unless otherwise provided in this Agreement, any notice, demand or request required or permitted to be given by either Party to the other and any instrument required or permitted to be tendered or delivered by either Party in writing to the other shall be effective when delivered and may be so given, tendered or delivered, by recognized national courier, or by depositing the same with the United States Postal Service with postage prepaid, for delivery by certified or registered mail, addressed to the Party, or personally delivered to the Party, at the address set out in Appendix F, Addresses for Delivery of Notices and Billings.

Either Party may change the notice information in this Agreement by giving five 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 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 Sections 9 and 10.

16. Force Majeure

16.1 Economic hardship is not considered a Force Majeure event.

16.2 Neither Party shall be considered to be in Default with respect to any obligation hereunder, (including obligations under Section 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 section 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.

17. Default

- 17.1 General.** No Default shall exist where such failure to discharge an obligation (other than the payment of money) is the result of Force Majeure as defined in this Agreement or the result of an act of omission of the other Party. Upon a Breach, the non-Breaching Party shall give written notice of such Breach to the Breaching Party. Except as provided in Section 17.2, the Breaching Party shall have 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 30 Calendar Days, the Breaching Party shall commence such cure within 30 Calendar Days after notice and continuously and diligently complete such cure within 90 Calendar Days (or such longer period as the Parties may mutually agree) from receipt of the Default notice; and, if cured within such time, the Breach specified in such notice shall cease to exist.
- 17.2 Right to Terminate.** If a Breach is not cured as provided in this section, or if a Breach is not capable of being cured within the period provided for herein, the non-Breaching Party shall have the right to declare a Default and terminate this Agreement by written notice at any time until cure occurs, and be relieved of any further obligation hereunder and, whether or not that Party terminates this Agreement, to recover from the Breaching Party all amounts due hereunder, plus all other damages and remedies to which it is entitled at law or in equity. The provisions of this section shall survive termination of this Agreement.
- 17.3 Violation of Operating Assumptions for Generating Facilities.** If Grant PUD requires Customer to memorialize the operating assumptions for the charging behavior of a Generating Facility that includes at least one electric storage resource in Appendix H of this Agreement, Grant PUD may consider Customer to be in Breach of this Agreement if Customer fails to operate the Generating Facility in accordance with those operating assumptions for charging behavior. However, if Customer operates contrary to the operating assumptions for charging behavior specified in Appendix H of this Agreement at the direction of Grant PUD, Grant PUD shall not consider Customer in Breach of this Agreement.

18. Indemnity, Consequential Damages, and Insurance

- 18.1 Indemnity.** To the extent provided by law, a Party (the “Indemnifying Party”) shall at all times indemnify, defend, and hold the other Party, its Affiliates, and their owners, directors, officers, employees, and agents (collectively, the “Indemnified 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 Indemnifying Party's action or inaction in the performance of its obligations under this Agreement, except in cases of gross negligence or intentional wrongdoing by the Indemnified Party.

- 18.1.1 Indemnified Person.** If an Indemnified Party is entitled to indemnification under this Section 18 as a result of a claim by a third party, and the Indemnifying Party fails, after notice and reasonable opportunity to proceed under Section 18.1, to assume the defense of such claim, such Indemnified Party may at the expense of the Indemnifying Party contest, settle or consent to the entry of any judgment with respect to, or pay in full, such claim.
- 18.1.2 Indemnifying Party.** If an Indemnifying Party is obligated to indemnify and hold any Indemnified Party harmless under this Section 18, the amount owing to the Indemnified Party shall be the amount of such Indemnified Party's actual Loss, net of any insurance or other recovery.
- 18.1.3 Indemnity Procedures.** Promptly after receipt by an Indemnified Party of any claim or notice of the commencement of any action or administrative or legal proceeding or investigation as to which the indemnity provided for in Section 18.1 may apply, the Indemnified Party shall notify the Indemnifying Party of such fact. Any failure of or delay in such notification shall not affect a Party's indemnification obligation unless such failure or delay is materially prejudicial to the Indemnifying Party.

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

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

- 18.2 Consequential Damages.** In no event shall either Party be liable under any provision of this Agreement for any Losses, damages, costs or expenses for any special, indirect, incidental, consequential, or punitive damages, including but not limited to Loss of profit or revenue, Loss of the use of equipment, cost of capital, cost of temporary equipment or

services, whether based in whole or in part in contract, in tort, including negligence, strict liability, or any other theory of liability; provided, however, that damages for which a Party may be liable to the other Party under another agreement shall not be considered to be special, indirect, incidental, or consequential damages hereunder.

18.3 Insurance.

18.3.1 Prior to the commencement of any work under this Agreement, and at all times during the term of this Agreement, Customer shall obtain and maintain continuously, at its own expense a policy, or policies of insurance with insurance companies rated A- VII or better by A.M. Best, as enumerated below. Any deductible, self-insured retention or coverage via captive \$25,000 or above must be disclosed and is subject to approval by Grant PUD's Risk Manager. The cost of any claim payments falling within the deductible or self-insured retention shall be the responsibility of Customer and not recoverable under any part of this Agreement.

Customer Required Insurance

1. **General Liability Insurance:** Commercial general liability insurance, covering all operations by or on behalf of Customer against claims for bodily injury (including death) and property damage (including loss of use). Such insurance shall provide coverage for:

- a. Premises and operations;
- b. Products and completed operations;
- c. Contractual liability;
- d. Personal injury liability (with deletion of the exclusion for liability assumed under Agreement);
- e. Pollution liability (sudden and accidental) (or provided on a standalone basis);
- f. Such insurance shall not exclude coverage for action-over liability claims; and
- g. Such insurance shall not exclude coverage for explosion (X), collapse (C) and underground hazards (U).

with the following **minimum limits:**

- h. \$1,000,000 each occurrence
- i. \$1,000,000 personal injury liability
- j. \$2,000,000 general aggregate (per project)
- k. \$2,000,000 products and completed operations aggregate

Commercial general liability insurance will include Grant PUD as additional insured on a primary and non-contributory basis for ongoing and completed operations. A waiver of subrogation shall apply in favor of Grant PUD.

2. **Workers' Compensation and Stop Gap Employers Liability:** Workers' compensation insurance as required by law for all employees. Employer's liability insurance, including occupational disease coverage, in the amount of **\$1,000,000 for each accident, each employee, and policy limit.** Customer expressly agrees to comply with all provisions of the workers' compensation laws of the states or countries where the work is being performed, including the provisions of Title 51 of the Revised Code of Washington for all work occurring in the state of Washington.

If there is an exposure of injury or illness under the U.S. Longshore and Harbor Workers (USL&H) Act, Jones Act, or under U.S. laws, regulations or statutes applicable to maritime employees, coverage shall be included for such injuries or claims. Such coverage shall include USL&H and/or maritime employer's liability (MEL).

3. **Automobile Liability Insurance:** Automobile liability insurance against claims of bodily injury (including death) and property damage (including loss of use) covering all owned, rented, leased, non-owned, and hired vehicles used in the performance of the work, with a **minimum limit of \$1,000,000 per accident** for bodily injury and property damage combined and containing appropriate uninsured motorist and No-Fault insurance provision, when applicable.

Automobile liability insurance will include Grant PUD as additional insured on a primary and non-contributory basis. A waiver of subrogation shall apply in favor of Grant PUD.

4. **Excess Insurance:** Excess (or umbrella) liability insurance with a **minimum limit of \$20,000,000 per occurrence and in the aggregate when combined with underlying primary limits.** This insurance shall provide coverage in excess of the underlying primary liability limits, terms, and conditions for each category of liability insurance in the foregoing subsections 1, 2 and 3. If this insurance is written on a claims-made policy form, then the policy shall be endorsed to include an automatic extended reporting period of at least five years.

Excess/umbrella liability insurance will include Grant PUD as additional insured on a primary and non-contributory basis. A waiver of subrogation shall apply in favor of Grant PUD.

- 18.3.2 Evidence of Insurance -** Within 10 days following execution of this Agreement, Customer shall file with Grant PUD a certificate of insurance showing the insuring companies, policy numbers, effective dates, limits of liability and deductibles with a copy of the endorsement naming Grant PUD as an additional insured for each policy where indicated in Section 18.3.1.

Failure of Grant PUD to demand such certificate or other evidence of compliance with these insurance requirements or failure of Grant PUD to identify a deficiency from the provided evidence shall not be construed as a waiver of Customer's obligation to maintain such insurance. Acceptance by Grant PUD of any certificate or other evidence of compliance does not constitute approval or agreement by Grant PUD that the insurance requirements have been met or that the policies shown in the certificates or other evidence are in compliance with the requirements.

Grant PUD shall have the right but not the obligation of prohibiting Customer, or a subcontractor, from entering the project site or from energizing and transmitting power onto Grant PUD's Transmission System until such certificates or other evidence of insurance has been provided in full compliance with these requirements. If Customer fails to maintain insurance as set forth above, Grant PUD may purchase such insurance at Customer's expense. Customer's failure to maintain the required insurance may result in termination of this Contract at Grant PUD's option.

18.3.3 Subcontractors - Customer shall ensure that each subcontractor maintain insurance as commercially reasonable in accordance with the power generation industry and based on their scope of work. Upon request, Customer shall furnish Grant PUD with copies of certificates of insurance evidencing coverage for each subcontractor.

18.3.4 Cancellation of Insurance - Customer shall not cause any insurance policy to be canceled or permit any policy to lapse. Insurance companies or Customer shall provide 30 days advance written notice to Grant PUD for cancellation or any material change in coverage or condition, and 10 days advance written notice for cancellation due to non-payment. Should Customer receive any notice of cancellation or notice of nonrenewal from its insurer(s), Customer shall provide immediate notice to Grant PUD no later than two days following receipt of such notice from the insurer. Notice to Grant PUD shall be delivered by mail or email.

19. Assignment

This Agreement may be assigned by either Party only with the written consent of the other; provided that either Party may assign this Agreement without the consent of the other Party to any Affiliate of the assigning Party with an equal or greater credit rating and with the legal authority and operational ability to satisfy the obligations of the assigning Party under this Agreement, as determined at the time of such assignment; and provided further that Customer shall have the right to assign this Agreement, without the consent of Grant PUD, for collateral security purposes to aid in providing financing for the Generating Facility, provided that Customer shall promptly notify Grant PUD of any such assignment. Any financing arrangement entered into by Customer pursuant to this section shall 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 shall notify Grant PUD of the date and particulars of any such exercise of assignment right(s), including providing Grant PUD with proof that it meets the requirements of Sections 11.5 and 18.3. Any attempted assignment that violates this section is void and ineffective. Any assignment under this Agreement shall not relieve a Party of its obligations, nor shall a Party's obligations be enlarged, in whole or in part, by reason thereof. Where required, consent to assignment shall not be unreasonably withheld, conditioned or delayed.

20. Severability

If any provision in this Agreement is finally determined to be invalid, void or unenforceable by any court or other Governmental Authority having jurisdiction, such determination shall not invalidate, void or make unenforceable any other provision, agreement or covenant of this Agreement.

21. Comparability

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

22. Confidentiality

22.1 Confidentiality. Confidential Information shall include, without limitation, all information designated as Critical Energy/Electric Infrastructure (CEII) Information, 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 an 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 Section 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.

Each Party agrees that it will not disclose to third parties (except as expressly set forth herein), without the written consent of the other Party, any information developed or obtained in connection with the performance of this Agreement, and, if requested by the other Party, to require its employees and subcontractors, if any, to execute a non-disclosure agreement prior to performing any services under this Agreement.

If either Party is subject to the Washington Public Records Act, Chapter 42.56 RCW ("PRA"), and a disclosure of Confidential Information is required to be made pursuant to the PRA, such disclosure shall not be deemed a violation of this Section 22.1, provided that the Party receiving the request has, so far as it is lawful and practical to do so prior to such disclosure: (a) promptly notified the other Party in writing of such, request, order, or requirement; (b) provided a reasonable opportunity for the other Party to seek an appropriate protective order; and (c) cooperated with other Party to narrow the scope of such disclosure to only that portion of the Confidential Information that is necessary to fulfill the request.

22.1.1 Term. During the term of this Agreement, and for a period of three (3) years after the expiration or termination of this Agreement, except as otherwise provided in this Section 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 Agreement; or (6) is required, in accordance with Section 22.1.7 of this Agreement, Order of Disclosure, to be disclosed by any Governmental Authority or is otherwise required to be disclosed by law or subpoena, or is necessary in any legal proceeding establishing rights and obligations under this Agreement. Information designated as Confidential Information will no longer be deemed confidential if the Party that designated the information as confidential notifies the other Party that it no longer is confidential.

- 22.1.3 Release of Confidential Information.** Neither Party shall release or disclose Confidential Information to any other person, except to its Affiliates, subcontractors, employees, consultants, or to parties who may be or considering providing financing to or equity participation with Customer, or to potential purchasers or assignees of Customer, on a need-to-know basis in connection with this Agreement, unless such person has first been advised of the confidentiality provisions of this Section 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 Section 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 Agreement 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 use reasonable efforts to provide the other Party with notice of such request(s) or requirement(s) so that the other Party may seek an appropriate protective order or waive compliance with the terms of this Agreement. Notwithstanding the absence of a protective order or waiver, the Party may disclose such Confidential Information 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 Remedies.** The Parties agree that monetary damages would be inadequate to compensate a Party for the other Party's Breach of its obligations under this Section 22.1. Each Party accordingly agrees that the other Party shall be entitled to equitable relief, by way of injunction or otherwise, if the first Party Breaches or threatens to Breach its obligations under this Section 22.1, which equitable relief shall be granted without bond or proof of damages, and the receiving Party shall not plead in defense that there would be an adequate remedy at law. Such remedy shall be deemed an exclusive remedy for the Breach of this Section 22.1. The Parties further acknowledge and agree that the covenants contained herein are necessary for the protection of legitimate business interests and are reasonable in scope. No Party, however, shall be liable for indirect, incidental, or consequential or punitive damages of any nature or kind resulting from or arising in connection with this Section 22.1.
- 22.1.9 Termination of Agreement.** Upon termination of this Agreement for any reason, each Party shall, within 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. Notwithstanding the foregoing, a receiving Party may retain one copy of Confidential Information to the extent (i) necessary to comply with applicable law or bona fide document retention policies or (ii) backed up on relevant servers or electronic devices, provided that any Confidential Information so retained shall remain subject to the confidentiality obligations hereof.
- 22.1.10 Disclosure to FERC, its Staff, or a State.** Notwithstanding anything in this Section 22 to the contrary, and pursuant to 18 C.F.R § 1b.20, if FERC or its staff, during the course of an investigation or otherwise, requests information from one of the Parties that is otherwise required to be maintained in confidence pursuant to this Agreement, the Party shall provide the requested information to FERC or its staff, within the time provided for in the request for information. In providing the information to FERC or its staff, the Party must, consistent with 18 C.F.R § 388.112, request that the information be treated as confidential and non-public by FERC and its staff and that the information be withheld from public disclosure. Parties are prohibited from notifying the other Party to this Agreement prior to the release of the Confidential Information to FERC or its staff. The Party shall notify the other Party when it is notified by FERC or its staff that a request to release Confidential Information has been received by FERC, at which time either of the Parties may respond before such information would be made public, pursuant to 18 C.F.R § 388.112. Requests from a state regulatory body conducting a confidential investigation shall be treated in a similar manner if consistent with the applicable state rules and regulations.
- 22.1.11** Subject to the exception in Section 22.1.10, any information that a Party claims is competitively sensitive, commercial or financial information under this Agreement ("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 Agreement or as a transmission provider or a Balancing Authority Area operator including disclosing the Confidential Information to an RTO or ISO or to a regional or national reliability organization. The Party asserting confidentiality shall notify the other Party in writing of the information it claims is confidential. Prior to any disclosures of the other Party's Confidential Information under this subparagraph, or if any third party or Governmental Authority makes any request or demand for any of the information described in this subparagraph, the disclosing Party agrees to promptly notify the other Party in writing and agrees to assert confidentiality and cooperate with the other Party in seeking to protect the Confidential Information from public disclosure by confidentiality agreement, protective order or other reasonable measures.

23. Environmental Releases

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

24. Information Requirements

24.1 Information Acquisition. Grant PUD and 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 Grant PUD. The initial information submission by Grant PUD shall occur no later than 180 Calendar Days prior to Trial Operation and shall include Transmission System information necessary to allow Customer to select equipment and meet any system protection and stability requirements, unless otherwise agreed to by the Parties. On a monthly basis Grant PUD shall provide Customer a status report on the construction and installation of Grant PUD'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 Customer. The updated information submission by Customer, including manufacturer information, shall occur no later than 180 Calendar Days prior to the Trial Operation. Customer shall submit a completed copy of the Generating Facility data requirements contained in Appendix 1 to the LGIP. It shall also include any additional information provided to Grant PUD necessary for the Cluster Study

and Interconnection Facilities Study. Information in this submission shall be the most current Generating Facility design or expected performance data. All models used for analysis must come from the WECC approved model list.

If Customer's model or model parameters are materially different from what was originally provided to Grant PUD pursuant to an Interconnection Study agreement between Grant PUD and Customer, then Customer shall supply the updated model or model parameters to Grant PUD in order for Grant PUD to determine the impact on Grant PUD Transmission System based on the updated modeling submitted pursuant to this Section 24.3. Customer shall not begin Trial Operation until any updates to the models are accepted by Grant PUD.

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

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

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

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 Agreement; and (ii) carry out its obligations and responsibilities under this Agreement. The Parties shall not use such information for purposes other than those set forth in this Section 25.1 and to enforce their rights under this Agreement.

- 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 Agreement for a reason other than a Force Majeure event. The Parties agree to cooperate with each other and provide necessary information regarding such inability to comply, including the date, duration, reason for the inability to comply, and corrective actions taken or planned to be taken with respect to such inability to comply. Notwithstanding the foregoing, notification, cooperation or information provided under this section shall not entitle the Party receiving such notification to allege a cause for anticipatory Breach of this Agreement.

25.3 Audit Rights. Subject to the requirements of confidentiality under Section 22 of this Agreement, each Party shall have the right, during normal business hours, and upon prior reasonable notice to the other Party, to audit at its own expense the other Party's accounts and records pertaining to either Party's performance or either Party's satisfaction of obligations under this Agreement. Such audit rights shall include audits of the other Party's costs, calculation of invoiced amounts, Grant PUD's efforts to allocate responsibility for the provision of reactive support to the Transmission System, Grant PUD'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 section shall be performed at the offices where such accounts and records are maintained and shall be limited to those portions of such accounts and records that relate to each Party's performance and satisfaction of obligations under this Agreement. Each Party shall keep such accounts and records for a period equivalent to the audit rights periods described in Section 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 Grant PUD's Interconnection Facilities and Network Upgrades shall be subject to audit for a period of 24 months following Grant PUD's issuance of a final invoice in accordance with Section 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 Agreement other than those described in Section 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 24 months after the auditing Party's receipt of an invoice giving rise to such cost obligations; and (ii) for an audit relating to all other obligations, the applicable audit rights period shall be 24 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.

26. Subcontractors

26.1 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.

- 26.2 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 (i) in no event shall Grant PUD be liable for the actions or inactions of Customer or its subcontractors with respect to obligations of Customer under Section 5 of this Agreement and (ii) in no event shall Customer be liable for the actions or inactions of Grant PUD or its subcontractors with respect to obligations of Grant PUD under Section 5 of this Agreement. Any applicable obligation imposed by this Agreement upon the hiring Party shall be equally binding upon, and shall be construed as having application to, any subcontractor of such Party.
- 26.3 No Limitation by Insurance.** The obligations under this Section 26 shall not be limited in any way by any limitation of subcontractor's insurance.

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 Agreement or its performance, such 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 30 Calendar Days of the other Party's receipt of the Notice of Dispute, such claim or dispute may, upon mutual agreement of the Parties, be submitted to arbitration and resolved in accordance with the arbitration procedures set forth below. In the event the Parties do not agree to submit such claim or dispute to arbitration, each Party may exercise whatever rights and remedies it may have in equity or at law consistent with the terms of this Agreement.
- 27.2 External Arbitration Procedures.** Any arbitration initiated under this Agreement shall be conducted before a single neutral arbitrator appointed by the Parties. If the Parties fail to agree upon a single arbitrator within 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 20 Calendar Days select a third arbitrator to chair the arbitration panel. In either case, the arbitrators shall be knowledgeable in electric utility matters, including electric transmission and bulk power issues, and shall not have any current or past substantial business or financial relationships with any party to the arbitration (except prior arbitration). The arbitrator(s) shall provide each of the Parties an opportunity to be heard and, except as otherwise provided herein, shall conduct the arbitration in accordance with the Commercial Arbitration Rules of the American Arbitration Association ("Arbitration Rules") and any applicable FERC regulations or RTO rules; provided, however, in the event of a conflict between the Arbitration Rules and the terms of this Section 27, the terms of this Section 27 shall prevail.
- 27.3 Arbitration Decisions.** Unless otherwise agreed by the Parties, the arbitrator(s) shall render a decision within 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 Agreement 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 will also be filed with FERC, if applicable.

- 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.

28. Representations, Warranties, and Covenants

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

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

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

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

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

29. Joint Operating Committee

29.1 Joint Operating Committee. Except in the case of an ISO or RTO forming in the Northwest which may eliminate this requirement, Grant PUD shall institute a Joint Operating Committee to coordinate operating and technical considerations of Interconnection Service. At least six months prior to the expected Initial Synchronization Date, Customer and Grant PUD shall each appoint at least one representative to the Joint Operating Committee. Each Party shall be responsible for the costs associated with its own participation in, or attendance at meetings of, the Joint Operating Committee. Grant PUD shall appoint the chairperson and secretary to develop meeting agendas and facilitate discussion. Each Customer shall notify Grant PUD 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 no less than annually, as determined by the chairperson to carry out the duties set forth herein. The Joint Operating Committee shall hold a meeting at the request of either Party, at a time and place agreed upon by the representatives. The Joint Operating Committee shall perform all of its duties consistent with the provisions of this Agreement. Each Party shall cooperate in providing to the Joint Operating Committee all information required in the performance of the Joint Operating Committee's duties. All decisions and agreements, if any, made by the Joint Operating Committee, shall be evidenced in writing. The duties of the Joint Operating Committee shall include the following:

- 29.1.1** Establish data requirements and operating record requirements. If, after best efforts, agreement cannot be reached on data requirements and/or operating record requirements, Grant PUD shall have the option of unilaterally determining these requirements.
- 29.1.2** Review the requirements, standards, and procedures for data acquisition equipment, protective equipment, and any other equipment or software, and make recommendations for acquisition of equipment and/or implementation of procedures.
- 29.1.3** Annually review the one (1) year forecast of maintenance and planned outage schedules of Grant PUD's and Customer's facilities at the Point of Interconnection.
- 29.1.4** Coordinate the scheduling of maintenance and planned outages on the Interconnection Facilities, the Generating Facility and other facilities that impact the normal operation of the interconnection of the Generating Facility to the Transmission System.
- 29.1.5** Ensure that accurate and timely 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.
- 29.1.7** Maintain a list of appropriate contacts for each Party.

30. Miscellaneous

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

- 30.2 Conflicts.** In the event of a conflict between the body of this Agreement and any attachment, appendices or exhibits hereto, the terms and provisions of the body of this Agreement shall prevail and be deemed the final intent of the Parties.
- 30.3 Rules of Interpretation.** This Agreement, unless a clear contrary intention appears, shall be construed and interpreted as follows: (1) the singular number includes the plural number and vice versa; (2) reference to any person includes such person's successors and assigns but, in the case of a Party, only if such successors and assigns are permitted by this Agreement, and reference to a person in a particular capacity excludes such person in any other capacity or individually; (3) reference to any agreement (including this Agreement), document, instrument or tariff means such agreement, document, instrument, or tariff as amended or modified and in effect from time to time in accordance with the terms thereof and, if applicable, the terms hereof; (4) reference to any Applicable Laws and Regulations 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 Section or Appendix means such Section of this Agreement or such Appendix to this Agreement, as the case may be; (6) "hereunder", "hereof", "herein", "hereto" and words of similar import shall be deemed references to this Agreement as a whole and not to any particular Section 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 Agreement, 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 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.
- 30.5 No Third-Party Beneficiaries.** This Agreement is not intended to and does not create rights, remedies, or benefits of any character whatsoever in favor of any persons, corporations, associations, or entities other than the Parties, and the obligations herein assumed are solely for the use and benefit of the Parties, their successors in interest and, where permitted, their assigns.
- 30.6 Waiver.** The failure of a Party to this Agreement to insist, on any occasion, upon strict performance of any provision of this Agreement shall not be considered a waiver of any obligation, right, or duty of, or imposed upon, such Party.

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

- 30.7 Headings.** The descriptive headings of the various Sections of this Agreement have been inserted for convenience of reference only and are of no significance in the interpretation or construction of this Agreement.
- 30.8 Multiple Counterparts.** The Parties may execute this Agreement, and any modification to the Agreement that is required to be executed, in any number of counterparts and through electronic signature. Each counterpart and electronic signature will be deemed an original and all counterparts will constitute one agreement binding on both Parties.
- 30.9 Modification by the Parties.** The Parties may by mutual agreement amend this Agreement by a written instrument duly executed by the Parties. Such amendment shall become effective upon the last signature date, unless otherwise specified in the amendment, and a part of this Agreement upon satisfaction of all Applicable Laws and Regulations.
- 30.10 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.
- 30.11 Incorporation by Reference.** Issues not addressed in this Agreement or that require further clarification may be addressed in the Grant PUD Interconnection Technical Requirements, as amended or its successor, which are hereby incorporated by reference and may be amended from time to time.

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

Public Utility District No. 2
of Grant County, Washington

[CounterpartyTitle3]

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

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

Appendix A – Interconnection Facilities, Network Upgrades, and Distribution Upgrades

1. **Interconnection Facilities**
 - 1.1 Customer's Interconnection Facilities: .
 - 1.2 Grant PUD's Interconnection Facilities:
2. **Network Upgrades.** Network upgrades include:
3. **Distribution Upgrades.**
4. **Predicate Facilities.**
5. **Point of Interconnection.**
6. **Point of Change of Ownership.**
7. **One-Line Diagram.** See Figure 1 in Exhibit 1 to Appendix B.

Appendix B - Milestones

The total estimated cost for the design, procurement, construction, and installation of Grant PUD's Interconnection Facilities is \$ _____.*. This amount shall be used by the Customer to provide financial security in accordance with Section 11.5. Quarterly payments of \$ ____ will be billed on the first day of the quarter following estimated depletion date of deposit(s) received.

* ____% of the total estimated cost is Direct Assigned and ____% of the total estimated cost is Network Upgrades. Transmission Credits per Section 11.4 will be based on final actual costs for Network Upgrades based on the percentage of costs assigned to Network Upgrades.

Site Control

Check box if applicable []

Customer with qualifying regulatory limitations must demonstrate 100% Site Control by {Grant PUD to insert date 180 days from the effective date of this Agreement} or the Agreement may be terminated per Section 17 (Default) of this Agreement and the Customer may be subject to Withdrawal Penalties per Section 3.7.1.1 of Grant PUD's LGIP (Calculation of the Withdrawal Penalty).

The table below provides estimated dates of completion. Such dates will be monitored and managed through the project management process and are subject to change.

Activity ID	Activity Name	Estimated Date
LMI-1001	Customer executes Interconnection Agreement w/ deposit equal to 20% of Interconnection Customer's estimated Network Upgrade costs (\$ ____ X ____%) minus the total amount of Commercial Readiness Deposits that Interconnection Customer has provided to Transmission Provider for its Interconnection Request.(\$ ____) (\$ ____)	Start
LMI-1001.1	Demonstrates 100% Site Control (Article 5.3.3) Site Control may be demonstrated by documentation establishing: (1) ownership of, a leasehold interest in, or a right to develop a site of sufficient size to construct and operate the Generating Facility; (2) an option to purchase or acquire a leasehold site of sufficient size to construct and operate the Generating Facility for such purpose; or (3) any other documentation that clearly demonstrates the right of Customer to exclusively occupy a site of sufficient size to construct and operate the Generating Facility.	
LMI-1002	Customer completes their requirements specified in Article 5.3	Within 1 Month of LMI-1001 completion
LMI-1002.1	Provide written authorization of design and procurement (Article 5.3.2)	
LMI-1002.2	Posts security equal to 100% of costs for designing, procuring, constructing, and installing applicable Grant PUD Facilities (Article 5.3.4)	
LMI-1002.3	Provides certificate of insurance (Article 5.3.5)	

Activity ID	Activity Name	Estimated Date
LMI-1003	Customer provides required design information: (final one line diagram, site plan, protection scheme, etc.). Note: Design modifications to the Customer's Generating Facility after this date requiring updates to Grant PUD's network model may result in a minimum of three months added to all future milestones.	Within 1 Month of LMI-1001 completion
LMI-1003.1	Customer shall provide a detailed short circuit model of the Generating Facility. This model must be constructed using the ASPEN OneLine short circuit simulation program and contain all individual electrical components of the Generating Facility.	
LMI-1004	Grant PUD determines land requirements for Grant PUD Interconnect Facilities	Within 3 Months of LMI-1002 & 1003 completion
LMI-1005	Customer submits 30% level design drawings	Within 3 Months of LMI-1002 & 1003 completion
LMI-1006	Customer establishes retail account with Grant PUD and applies for retail service	Within 4 Months of LMI-1002 & 1003 completion
LMI-1007	Customer begins initial quarterly payments in ____ equal installments of \$ _____	Due EOM of first month of calculated Calendar Qtr. after Start
LMI-1008	Grant PUD completes preliminary design and develops equipment specifications (60% completion)	Within 4 Months of LMI-1005 completion
LMI-1009	Customer submits final issue for construction drawings to Grant PUD	Within 9 ½ Months of LMI-1005 completion
LMI-1010	Grant PUD completes engineering design and commences procurement process for Grant PUD's Interconnection Facilities and Network Upgrades. Note: By mutual agreement, equipment procurement may commence sooner to mitigate supply chain constraint risks with construction bid process	Within 7 Months of LMI-1008 completion
LMI-1011	Customer completes their requirements specified in Article 5.4 - Construction Commencement	Within 7 ½ Months of LMI-1009 completion
LMI-1011.1	Customer demonstrates approval of appropriate Governmental Authority has been obtained for any facilities requiring regulatory approval (Article 5.4.1)	
LMI-1011.2	Customer conveys required real property rights, ROW and/or easements for construction of Grant PUD's Interconnection Facilities and Network Upgrades. (Article 5.4.2)	
LMI-1011.3	Customer submits written authorization to proceed with construction from Customer (Article 5.4.3)	

Activity ID	Activity Name	Estimated Date
LMI-1012	Grant PUD obtains required Permits for construction of Interconnection Facilities and Network Upgrades.	Within 18 1/2 months of completion of LMI-1011
LMI-1013	Grant PUD commences construction	Within 1 week of completion of LMI-1012. *Target Date MM/DD/YY.
LMI-1014	Grant PUD completes construction (including commissioning activity) Grant PUD Interconnection Facility Switchyard Energization / Turnover	Within 11 ½ Months of completion of LMI-1013
LMI-1015	Customer completes necessary construction of Customer's Interconnection	*Target Date MM/DD/YY
LMI-1016	Customer performs Trial Operation, including Initial Synchronization and Gen Testing	Within 1 Month of completion of LMI-1015
LMI-1017	Customer demonstrates that they have submitted entity registration requests for all applicable entities.	Within 3 Months of completion of LMI-1015
LMI-1018	Commercial Operation Date	Within 3 Months of completion of LMI-1016
LMI-1019	Customer provides updated power flow and dynamic modelling data for any equipment changes not included in initial studies	Upon COD
LMI-1020	Customer provides Grant PUD with drawings, documents, and information specified in Article 5.8.	Within 1 Month of COD

Exhibit 1 to Appendix B - Scope of Work

1. Interconnection Facilities. The following outlines the design, procurement, construction, installation, and ownership of equipment at the Customer's Interconnection Facilities.
 - 1.1 Customer Responsibilities
 - Procure all necessary permits, lands, rights of way and easements required for the construction and continued maintenance of the Customer's Interconnection Facilities.
 - Design, procure, construct, own and maintain the Customer's Interconnection Facilities.
 - 1.2 Grant PUD Responsibilities
2. Other. The following outlines the design, procurement, construction, installation, and ownership of Grant PUD equipment past the Point of Interconnection.

Appendix C – Interconnection Details

1. Description of Generating Facility

2. Use of Facilities (UOF) Charge

Grant PUD will develop a UOF charge that applies to the Grant PUD facilities that are solely dedicated to serving the Generating Facility. This UOF charge will be included in this Appendix C. Grant PUD may update the UOF charge at any time with 60 days' notice provided to Customer.

Initially, the UOF will include ____% of all costs to operate and maintain the switchyard constructed to interconnect Customer's Generating Facility to the Grant PUD system and any facilities between the switchyard and the Point of Change of Ownership. The percentage of costs included in the UOF will be updated as appropriate when modifications are made to the switchyard.

Grant PUD will invoice Customer monthly for the UOF.

3. Service Provided to Customer when Generating Facility is Offline

Customer shall make all appropriate arrangements to take delivery any power required for the Generating Facility that is not self-provided. Any power that flows to Customer at the Point of Interconnection for auxiliary loads shall be accounted for under a separate retail service arrangement between Grant PUD and Customer. No power flowing to Customer at the Point of Interconnection may be netted against power flowing to Grant PUD at any time other than that of the delivery to the Customer. At Grant PUD's discretion and for practical reasons, Grant PUD may choose to allow Customer to net retail sales against Customer's power production. Power supplied to a storage device will be according to the terms of the applicable Grant PUD business practice.

4. Station Service

Station service will be obtained by Customer separate from this Agreement and when provided by Grant PUD will be governed by Grant PUD customer service policies for retail service.

5. Requirements that must be met by Customer prior to initiating parallel operation with Grant PUD's Transmission System or Distribution System

Grant PUD and Customer shall test and verify that its respective Interconnection Facilities, Generation Facility and Network Upgrades have passed requirements for safe and reliable operation. Each Party shall make any modifications to its facilities that are found to be necessary as a result of such testing. Customer shall generate test energy at the Generating Facility only at which time it has arranged for the delivery of such test energy. Test energy received by Grant PUD shall not be subject to compensation by Grant PUD to Customer.

6. Control Technologies and Protection Systems

7. Metering Requirements

Appendix D – Security Arrangement Details

Infrastructure security of Transmission System equipment including operations and control hardware and software is essential to ensure day-to-day Transmission System reliability and operational security. FERC requires entities such as Grant PUD, Generation Owners, Generation Operators and others, interconnected to the Transmission System to comply with established physical and cyber-security reliability standards including all applicable CIP Standards of the Electric Reliability Organization and any other best practice recommendations from the Electric Reliability Organization, the Regional Reliability Organization (currently WECC) and/or Reliability Coordinator (currently RC West).

Appendix E – Commercial Operation Date

This Appendix E is part of the LGIA between Grant PUD and Customer.

[Date]

Re: _____ Generating Facility, Interconnection Agreement No. [ContractNo4]

Dear _____:

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

Thank you.

[Signature]

[Customer Representative]

Appendix F – Addresses for Delivery of Notices and Billing**Notices:**

Grant PUD	Customer
Public Utility District No. 2 of Grant County, Washington Attn: Transmission Services Manager PO Box 878 Ephrata, WA 98823 With a copy to: Public Utility District No. 2 of Grant County, Washington Attn: General Counsel PO Box 878 Ephrata, WA 98823	Full Legal Name of Counterparty Attn: Address Address With a copy to:

Billings and Payments:

Grant PUD
Payments will be made via electronic funds transfer to: Public Utility District No. 2 of Grant County, Washington PO Box 878 Ephrata, WA 98823 Email remittance notices to: RemittanceGroup@gcpud.org

Customer

Alternative Forms of Delivery of Notices (telephone and email):

Grant PUD	Customer
Transmission Services Manager (509) 754-5088 TransmissionServices@gcpud.org General Counsel (509) 754-5088 legal@gcpud.org	

Appendix G – Interconnection Requirements for a Wind Generating Plant

{This Appendix G will be left blank for Generating Facilities that are not wind plants and may be updated as necessary based on current practices at the time the LGIA is developed for a specific application}

Appendix G sets forth requirements and provisions specific to a wind generating plant or a Generating Facility that contains a wind generating plant. All other requirements of this Agreement 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

LVRT Standard

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 Grant PUD. 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 or Remedial Action Scheme.
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.

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 Agreement. The power factor range standard can be met by using, for example, power electronics designed to supply this level of reactive capability (taking into account any limitations due to voltage level, real power output, etc.) or fixed and switched capacitors if agreed to by Grant PUD, or a combination of the two. 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 Cluster 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 Grant PUD to protect system reliability. Grant PUD and 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.

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Appendix H – Generating Facility Data and Performance Requirements

{Section 1.1 below only applies to a solar generation plant and will be modified for other types of generation as appropriate.}

1. Variable Energy Resource and forced usage data per Section 8.4 in the LGIA

1.1 **Real Time Data:** Customer will supply the following Real Time Data to Grant PUD. This list of data will be updated as needed per Section 8.4.

- Solar irradiance in the front-side plane-of-array (POA) (W/m²)
- Solar irradiance in the back-side plane-of-array (POA) (W/m²)
- Solar irradiance in the horizontal plane (GHI) (W/m²)
- Wind speed (m/s) and direction (°)
- Ambient air temperature (°C)
- Back of Module temperature (°C)
- Precipitation (mm)
- Barometric Pressure (hPa)
- Relative Humidity (%)
- For cold climates or as required by Owner, snow depth sensor (cm)
- Diffuse Horizontal Irradiance (DHI) (W/m²)
- Albedometer (%)
- Plant DC generation (MW)
- Plant AC generation (MW and MVar)
- Plant online status (indicating if plant is online)
- State of charge of energy storage (need to indicate units)
- Energy storage DC charging load (MW)
- Energy storage DC discharge (MW)
- Energy storage AC charging load (MW)
- Energy storage AC discharge (MW)

1.2 **Generation Forecast:** If requested by Grant PUD, Customer will supply Grant PUD with a forecast of generation, including the charging and discharging of a storage resource, for the Generating Facility with an hourly time stamp for the proceeding 168 hours. This forecast will be updated on an hourly basis.

1.3 **Forced outage data:** Customer will supply data to Grant PUD with Customer's best estimate for forced outages as requested by Grant PUD for the Generation Facility. This data will be updated no more than annually if requested by Grant PUD.

2. **Operating requirements per Section 9.4.** Additional requirements may be specified in the Agreement.

2.1 All NERC requirements and guidelines that apply to Customer based on Customer's functional entity registrations and facilities.

2.2 Applicable Grant PUD documents and standards

- Switching and Clearance Procedures
- System Restoration Plan
- Grant PUD Interconnection Technical Requirements
- Any additional outage request timelines as implemented by Grant PUD

2.3 NERC standards and associated guidelines governing IBRs

2.4 Emergency Condition procedures as referenced in Section 13.1

3. **Other Data**

Operational and design data regarding the Generating Facility that Grant PUD is required to provide to FERC, NERC, WECC, or other governing authorities.

4. **Battery storage operating range to allow for frequency response per Section 9.6.4.4**

Minimum state of charge: xx%

Maximum state of charge: xx%

<Additional information per Section 9.6.4.4>

ATTACHMENT O – Standard Small Generator Interconnection Process and Interconnection Agreement

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Small Generator Interconnection Procedures (SGIP)

For Generating Facilities No Larger Than 20 MW

Public Utility District No. 2 of Grant County, Washington

VERSION HISTORY

Revision No.	Date	Description
0	03/12/2026	Initial Effective Date

DRAFT

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1. Application

1.1 Applicability

These Small Generator Interconnection Procedures (SGIP) apply to Interconnection Requests for a Small Generating Facility. An Interconnection Customer may request to interconnect a Small Generating Facility to Transmission Provider's Distribution System only if Interconnection Customer requests to interconnect a Small Generating Facility that is a qualifying facility under the Public Utility Regulatory Policy Act ("PURPA").; A request to interconnect a certified Small Generating Facility no greater than three (3) MW (see Attachments 3 and 4 for description of certification criteria) to Transmission Provider's Distribution System shall be evaluated under the Section 2 Fast Track Process only if the eligibility requirements of Section 2.1 are met. A request to interconnect a certified inverter-based Small Generating Facility no larger than 10 kilowatts (kW) shall be evaluated under Attachment 5 (10 kW Inverter Process). A request to interconnect a Small Generating Facility no larger than three (3) megawatts (MW) that does not meet the eligibility requirements of Section 2.1 or does not pass the Fast Track Process or the 10 kW Inverter Process, shall be subject to Study Process as specified in Section 3 and must submit an application per the terms of the LGIP. If Interconnection Customer wishes to interconnect its Small Generating Facility using Network Resource Interconnection Service, irrespective of size, it must do so under the LGIP and execute the Standard Large Generator Interconnection Agreement (LGIA).

- 1.1.1 Capitalized terms used herein shall have the meanings specified in the Glossary of Terms in Attachment 1 or the body of these procedures.
- 1.1.2 Prior to submitting an Interconnection Request per Attachment 2, Interconnection Customer may ask Transmission Provider's interconnection contact employee or office whether the proposed interconnection is subject to these procedures.
- 1.1.3 Infrastructure security of electric system equipment and operations and control hardware and software is essential to ensure day-to-day reliability and operational security. The Federal Energy Regulatory Commission expects all transmission providers, market participants, and Interconnection Customers interconnected with electric systems to comply with the recommendations offered by the President's Critical Infrastructure Protection Board and best practice recommendations from the Electric Reliability Organization. All public utilities are expected to meet basic standards for electric system infrastructure and operational security, including physical, operational, and cyber-security practices.
- 1.1.4 References in these procedures to interconnection agreement are to the SGIA unless the LGIA is the applicable agreement as specified in Section 1.1.
- 1.1.5 These procedures are not applicable to net-metering applications.

1.2 Pre-Application

- 1.2.1 Transmission Provider shall designate an employee or office from which information on the application process and on an Affected System can be obtained through informal requests from Interconnection Customer presenting a proposed project for a specific site. The name, telephone number, and e-mail address of such contact employee or office shall be made available on Transmission Provider's web site. Electric system information provided to Interconnection Customer may include

relevant system studies, interconnection studies, and other materials useful to an understanding of an interconnection at a particular point on Transmission Provider's Transmission System, to the extent such provision does not violate confidentiality provisions of prior agreements or critical infrastructure requirements. Transmission Provider shall comply with reasonable requests for such information.

1.2.2 In addition to the information described in Section 1.2.1, which may be provided in response to an informal request, an Interconnection Customer may submit a formal written request form along with a non-refundable fee of \$850 for a pre-application report on a proposed project at a specific site. Transmission Provider will make a reasonable effort to provide the pre-application data described in Section 1.2.3 to Interconnection Customer within thirty (30) Business Days of receipt of the completed request form and payment of the \$850 fee. The pre-application report produced by Transmission Provider is non-binding, does not confer any rights, and Interconnection Customer must still successfully apply to interconnect to Transmission Provider's system. The written pre-application report request form shall include the information in Sections 1.2.2.1 through 1.2.2.7 below to clearly and sufficiently identify the location of the proposed Point of Interconnection and other details. If Transmission Provider determines additional data is required to complete the pre-application report, Transmission Provider will request this data and Interconnection Customer will supply this data within ten (10) Business Days. The reasonable effort deadline for the response by the Transmission Provider to a request for a pre-application report will be extended by ten (10) Business Days for each request for additional data.

1.2.3 Project contact information, including name, address, phone number, and email address.

1.2.3.1 Project location (street address with nearby cross streets and town)

1.2.3.2 Meter number, pole number, or other equivalent information identifying proposed Point of Interconnection, if available.

1.2.3.3 Generator Type (e.g., solar, wind, combined heat and power, etc.)

1.2.3.4 Size (alternating current kW)

1.2.3.5 Single or three phase generator configuration

1.2.3.6 Stand-alone generator (no onsite load, not including station service – Yes or No?) Availability of net-metering is subject to Transmission Provider's policies at the time of application.

1.2.3.7 Is new service requested? Yes or No? If there is existing service, include the customer account number, site minimum and maximum current or proposed electric loads in kW (if available) and specify if the load is expected to change. Availability of net-metering is subject to Transmission Provider's policies at the time of application.

1.2.4 Using the information provided in the pre-application report request form in Section 1.2.2, Transmission Provider will identify the substation/area bus, bank or circuit likely to serve the proposed Point of Interconnection. This selection by Transmission

Provider does not necessarily indicate, after application of the screens and/or study, that this would be the circuit the project ultimately connects to. Interconnection Customer must request additional pre-application reports if information about multiple Points of Interconnection is requested. Subject to Section 1.2.4, the pre-application report will include the following information:

- 1.2.4.1 Total capacity (in MW) of substation/area bus, bank or circuit based on normal or operating ratings likely to serve the proposed Point of Interconnection.
- 1.2.4.2 Existing aggregate generation capacity (in MW) interconnected to a substation/area bus, bank or circuit (i.e., amount of generation online) likely to serve the proposed Point of Interconnection.
- 1.2.4.3 Aggregate queued generation capacity (in MW) for a substation/area bus, bank or circuit (i.e., amount of generation in the queue) likely to serve the proposed Point of Interconnection.
- 1.2.4.4 Available capacity (in MW) of substation/area bus or bank and circuit likely to serve the proposed Point of Interconnection (i.e., total capacity less the sum of existing aggregate generation capacity and aggregate queued generation capacity).
- 1.2.4.5 Substation nominal distribution voltage and/or transmission nominal voltage if applicable.
- 1.2.4.6 Nominal distribution circuit voltage at the proposed Point of Interconnection.
- 1.2.4.7 Approximate circuit distance between the proposed Point of Interconnection and the substation.
- 1.2.4.8 Relevant line Section(s) actual or estimated peak load and minimum load data, including daytime minimum load as described in Section 2.4.4.1. below and absolute minimum load, when available.
- 1.2.4.9 Number and rating of protective devices and number and type (standard, bi-directional) of voltage regulating devices between the proposed Point of Interconnection and the substation/area. Identify whether the substation has a load tap changer.
- 1.2.4.10 Number of phases available at the proposed Point of Interconnection. If a single-phase, distance from the three-phase circuit.
- 1.2.4.11 Limiting conductor ratings from the proposed Point of Interconnection to the distribution substation.
- 1.2.4.12 Whether the Point of Interconnection is located on a spot network, grid network, or radial supply.
- 1.2.4.13 Based on the proposed Point of Interconnection, existing or known constraints such as, but not limited to, electrical dependencies at that

location, short circuit interrupting, capacity issues, power quality or stability issues on the circuit, capacity constraints, or secondary networks.,

- 1.2.5 The pre-application report need only include existing data. A pre-application report request does not obligate Transmission Provider to conduct a study or other analysis of the proposed generator in the event that data is not readily available. If Transmission Provider cannot complete all or some of a pre-application report due to lack of available data, Transmission Provider shall provide Interconnection Customer with a pre-application report that includes the data that is available. The provision of information on “available capacity” pursuant to Section 1.2.3.4 does not imply that an interconnection up to this level may be completed without impacts since there are many variables studied as part of the interconnection review process, and data provided in the pre-application report may become outdated at the time of the submission of the complete Interconnection Request. Notwithstanding any of the provisions of this Section, Transmission Provider shall, in good faith, include data in the pre-application report that represents the best available information at the time of reporting.

1.3 Interconnection Request

Interconnection Customer shall submit its Interconnection Request to Transmission Provider, together with the processing fee or deposit specified in the Interconnection Request. If an Interconnection Customer makes an Interconnection Request pursuant to this SGIP and must subsequently submit an application under the LGIP as specified in Section 3, the application fee made pursuant to this SGIP will be used to offset the application fee required by the LGIP. The Interconnection Request shall be date- and time-stamped upon receipt. The original date- and timestamp applied to the Interconnection Request at the time of its original submission shall be accepted as the qualifying date- and timestamp for the purposes of any timetable in these procedures. Interconnection Customer shall be notified of receipt by Transmission Provider within five (5) Business Days of receiving the Interconnection Request. Transmission Provider shall make reasonable efforts to notify Interconnection Customer within twenty (20) Business Days of the receipt of the Interconnection Request as to whether the Interconnection Request is complete or incomplete. If the Interconnection Request is incomplete, Transmission Provider shall provide along with the notice that the Interconnection Request is incomplete, a written list detailing all information that must be provided to complete the Interconnection Request. Interconnection Customer will have ten (10) Business Days after receipt of the notice to submit the listed information or to request an extension of time to provide such information. If Interconnection Customer does not provide the listed information or a request for an extension of time within the deadline, the Interconnection Request will be deemed withdrawn. An Interconnection Request will be deemed complete upon submission of the listed information to Transmission Provider. Notwithstanding the above, Transmission Provider may request additional information from an Interconnection Customer that has a complete application, and Interconnection Customer will supply data as requested by Transmission Provider. Interconnection Customer will have ten (10) Business Days after receipt of the notice for such additional information to submit the listed information or to request an extension of time to provide such information.

1.4 Modification of the Interconnection Request

Any modification by Interconnection Customer to machine data or equipment configuration or to the interconnection site of the Small Generating Facility not agreed to in writing by Transmission Provider and Interconnection Customer may be deemed a withdrawal of the

Interconnection Request and may require submission of a new Interconnection Request, unless proper notification of each Party by the other and a reasonable time to cure the problems created by the changes are undertaken. Any such modification of the Interconnection Request must be accompanied by any resulting updates to the data or models described in Attachment 2 of this SGIP.

1.5 Modifications to Existing Generating Facilities

1.5.1 Permissible Modifications

- 1.5.1.1 An Interconnection Customer with an existing Generating Facility is permitted to make modifications to the Existing Generating Facility under this Section 1.5.1, if the modifications do not increase the Generating Facility Capacity or have an impact on the Transmission System that would require a new Interconnection Request.

1.5.2 Transmission Provider's Sole Discretion

- 1.5.2.1 Transmission Provider, at its sole discretion, will determine whether the proposed changes by Interconnection Customer require a new Interconnection Request. Transmission Provider may perform any necessary additional studies to determine whether the proposed modifications require a new Interconnection Request. Interconnection Customer shall be responsible for any cost of additional studies.

1.5.3 Modifications to Applicable Agreements

- 1.5.3.1 Transmission Provider shall determine the necessary changes to Interconnection Customer's applicable SGIA and/or other application interconnection agreements. Prior to making any Permissible Modifications under Section 1.5.1, Interconnection Customer shall sign a revised SGIA and/or interconnection agreement.

1.6 Site Control

Documentation of site control must be submitted with the Interconnection Request. Site control may be demonstrated through:

- 1.6.1 Ownership of, a leasehold interest in, or a right to develop a site for the purpose of constructing the Small Generating Facility;
- 1.6.2 An option to purchase or acquire a leasehold site for such purpose; or
- 1.6.3 An exclusive 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.

1.7 Queue Position

Interconnection Requests that are subject to the LGIP will be assigned to the applicable Cluster as specified in Section 4.1 of the LGIP. The date of the Interconnection Request pursuant to this SGIP will be used to determine the applicable Cluster.

1.8 Interconnection Requests Subject to this SGIP

All Interconnection Requests submitted after October 1, 2023 are subject to this SGIP.

2. Fast Track Process

2.1 Applicability

The Fast Track Process is available to an Interconnection Customer proposing to interconnect its Small Generating Facility with Transmission Provider's Distribution System if the Small Generating Facility's capacity does not exceed the size limits identified in the table below. Small Generating Facilities below these limits are eligible for Fast Track review. However, Fast Track eligibility is distinct from the Fast Track Process itself, and eligibility does not imply or indicate that a Small Generating Facility will pass the Fast Track screens in Section 2.2.1 below or the Supplemental Review screens in Section 2.4.4 below.

Fast Track eligibility is determined based upon the generator type, the size of the generator, voltage of the line and the location of and the type of line at the Point of Interconnection. All Small Generating Facilities connecting to Transmission Provider at a voltage greater than 69 kilovolt (kV) are ineligible for the Fast Track Process regardless of size. All synchronous and induction machines must be no larger than 2 MW to be eligible for the Fast Track Process, regardless of location. For certified inverter-based systems, the size limit varies according to the voltage of the line at the proposed Point of Interconnection. Certified inverter-based Small Generating Facilities located within 2.5 electrical circuit miles of a substation and on a mainline (as defined in the table below) are eligible for the Fast Track Process under the higher thresholds according to the table below. In addition to the size threshold, Interconnection Customer's proposed Small Generating Facility must meet the codes, standards, and certification requirements of Attachments 3 and 4 of these procedures, or Transmission Provider must review the design or test the proposed Small Generating Facility and determine it is safe to operate.

Fast Track Eligibility for Inverter-Based Systems		
Line Voltage	Fast Track Eligibility Regardless of Location	Fast Track Eligibility on a Mainline ¹ and ≤ 2.5 Electrical Circuit Miles from Substation ²
< 5 kV	≤ 500 kW	≤ 500 kW
≥ 5 kV and < 15 kV	≤ 2 MW	≤ 3 MW

2.2 Initial Review

Transmission Provider shall perform an initial review using the screens set forth below, shall notify Interconnection Customer of the results, and shall include with the notification copies of the analysis and data underlying Transmission Provider's determinations under the screens.

¹ For purposes of this table, a mainline is the three-phase backbone of a circuit. It will typically constitute lines with wire sizes of 4/0 American Wire Gauge, 336.4 kcmil, 397.5 kcmil, 477 kcmil and 795 kcmil.

² An Interconnection Customer can determine this information about its proposed interconnection location in advance by requesting a pre-application report pursuant to Section 1.2.

2.2.1 Screens

- 2.2.1.1 The proposed Small Generating Facility's Point of Interconnection must be on Transmission Provider's Distribution System located within Transmission Provider's Balancing Authority Area.
- 2.2.1.2 For interconnection of a proposed Small Generating Facility to a radial distribution circuit, the aggregated generation, including the proposed Small Generating Facility, on the circuit shall not exceed 15% of the Main Line annual peak load as most recently measured at the substation. A line section is that portion of an electric system connected to a customer bounded by automatic sectionalizing devices or the end of the distribution line.
- 2.2.1.3 For interconnection of a proposed Small Generating Facility to the load side of spot network protectors, the proposed Small Generating Facility must utilize an inverter-based equipment package and, together with the aggregated other inverter-based generation, shall not exceed the smaller of 5 % of a spot network's maximum load or 50 kW.³
- 2.2.1.4 The proposed Small Generating Facility, in aggregation with other generation on the distribution circuit, shall not contribute more than 10 % to the distribution circuit's maximum fault current at the point on the high voltage (primary) level nearest the proposed point of change of ownership.
- 2.2.1.5 The proposed Small Generating Facility, in aggregate with other generation on the distribution circuit, shall not cause any distribution protective devices and equipment (including, but not limited to, substation breakers, fuse cutouts, and line reclosers), or Interconnection Customer equipment on the system to exceed 87.5 % of the short circuit interrupting capability; nor shall the interconnection be proposed for a circuit that already exceeds 87.5 % of the short circuit interrupting capability.
- 2.2.1.6 Using the table below, determine the type of interconnection to a primary distribution line. This screen includes a review of the type of electrical service provided to the Interconnecting Customer, including line configuration and the transformer connection to limit the potential for creating over-voltages on Transmission Provider's electric power system due to a loss of ground during the operating time of any anti-islanding function.

Primary Distribution Line	Type of Interconnection to Primary Distribution Line	Result / Criteria
Three-phase, three wire	3-phase or single phase, phase-to-phase	Pass screen

³ A spot network is a type of distribution system found within modern commercial buildings to provide high reliability of service to a single customer. (Standard Handbook for Electrical Engineers, 11th edition, Donald Fink, McGraw Hill Book Company).

Three-phase, four wire	Effectively grounded 3 phase or Single-phase, line- to-neutral	Pass screen

2.2.1.7 If the proposed Small Generating Facility is to be interconnected on single-phase shared secondary, the aggregate generation capacity on the shared secondary, including the proposed Small Generating Facility, shall not exceed 20 kW.

2.2.1.8 If the proposed Small Generating Facility is single-phase and is to be interconnected on a center tap neutral of a 240 volt service, its addition shall not create an imbalance between the two sides of the 240 volt service of more than 20 % of the nameplate rating of the service transformer.

2.2.1.9 The Small Generating Facility, in aggregate with other generation interconnected to the same circuit where the Small Generating Facility proposes to interconnect shall not exceed 10 MW in an area where there are known, or posted, transient stability limitations to generating units located in the general electrical vicinity (e.g., three or four transmission busses from the point of interconnection).

2.2.1.10 No construction of facilities by Transmission Provider on its own system shall be required to accommodate the Small Generating Facility.

2.2.2 If the proposed interconnection passes the screens, the Interconnection Request shall be approved, and Transmission Provider will provide Interconnection Customer an executable interconnection agreement.

2.2.3 If the proposed interconnection fails the screens, but Transmission Provider determines that the Small Generating Facility may nevertheless be interconnected consistent with safety, reliability, and power quality standards, Transmission Provider shall provide Interconnection Customer an executable interconnection agreement.

2.2.4 If the proposed interconnection fails the screens, and Transmission Provider does not or cannot determine from the initial review that the Small Generating Facility may nevertheless be interconnected consistent with safety, reliability, and power quality standards unless Interconnection Customer is willing to consider minor modifications or further study, Transmission Provider shall provide Interconnection Customer with the opportunity to attend a customer options meeting.

2.3 Customer Options Meeting

If Transmission Provider determines the Interconnection Request cannot be approved without (1) minor modifications at minimal cost, (2) a supplemental study or other additional studies or actions, or (3) incurring significant cost to address safety, reliability, or power quality problems, Transmission Provider shall notify Interconnection Customer of that determination within ten (10) Business Days after the determination and provide copies of all data and analyses underlying its conclusion. Within fifteen (15) Business Days of Transmission Provider's determination, Transmission Provider shall offer to convene a customer options meeting with Transmission Provider to review possible Interconnection Customer facility modifications or the screen analysis and related results, to determine what further steps are needed to permit the

Small Generating Facility to be connected safely and reliably. At the time of notification of Transmission Provider's determination, or at the customer options meeting, Transmission Provider shall:

- 2.3.1 Offer to perform facility modifications or minor modifications to Transmission Provider's electric system (e.g., changing meters, fuses, relay settings) and provide a non-binding good faith estimate of the limited cost to make such modifications to Transmission Provider's electric system. If Interconnection Customer agrees to pay for the modifications to Transmission Provider's electric system, Transmission Provider will provide Interconnection Customer with an executable interconnection agreement; or
- 2.3.2 Offer to perform a supplemental review in accordance with Section 2.4 and provide a non-binding good faith estimate of the costs of such review; or
- 2.3.3 Obtain Interconnection Customer's agreement to continue evaluating the Interconnection Request under the Section 3 Study Process.

2.4 Supplemental Review

- 2.4.1 To accept the offer of a supplemental review, Interconnection Customer shall agree in writing and submit a deposit for the estimated costs of the supplemental review in the amount of Transmission Provider's good faith estimate of the costs of such review, both within fifteen (15) Business Days of the offer. If the written agreement and deposit have not been received by Transmission Provider within that timeframe, the Interconnection Request shall continue to be evaluated under the Section 3 Study Process unless it is withdrawn by Interconnection Customer.
- 2.4.2 Interconnection Customer may specify the order in which Transmission Provider will complete the screens in Section 2.4.4.
- 2.4.3 Interconnection Customer shall be responsible for Transmission Provider's actual costs for conducting the supplemental review. Interconnection Customer must pay any review costs that exceed the deposit within twenty (20) Business Days of receipt of the invoice or resolution of any dispute. If the deposit exceeds the invoiced costs, Transmission Provider will return such excess within twenty (20) Business Days of the invoice without interest.
- 2.4.4 Following receipt of the deposit for a supplemental review, Transmission Provider shall (1) perform a supplemental review using the screens set forth below; (2) notify in writing Interconnection Customer of the results; and (3) include with the notification copies of the analysis and data underlying Transmission Provider's determinations under the screens. Unless Interconnection Customer provided instructions for how to respond to the failure of any of the supplemental review screens below at the time Interconnection Customer accepted the offer of supplemental review, Transmission Provider shall notify Interconnection Customer following the failure of any of the screens, or if it is unable to perform the screen in Section 2.4.4.1, within five (5) Business Days of making such determination to obtain Interconnection Customer's permission to: (1) continue evaluating the proposed interconnection under this Section 2.4.4; (2) terminate the supplemental review and continue evaluating the Small Generating Facility under Section 3; or (3) terminate the supplemental review upon withdrawal of the Interconnection

Request by Interconnection Customer.

2.4.4.1 Minimum Load Screen: Where 12 months of line section minimum load data (including onsite load but not station service load served by the proposed Small Generating Facility) are available, can be calculated, can be estimated from existing data, or determined from a power flow model, the aggregate Generating Facility Capacity on the line section is less than 100% of the minimum load for all line sections bounded by automatic sectionalizing devices upstream of the proposed Small Generating Facility. If minimum load data is not available, or cannot be calculated, estimated or determined, Transmission Provider shall include the reason(s) that it is unable to calculate, estimate or determine minimum load in its supplemental review results notification under Section 2.4.4.

- The type of generation used by the proposed Small Generating Facility will be taken into account when calculating, estimating, or determining circuit or line section minimum load relevant for the application of Screen 2.4.4.1. Solar photovoltaic (PV) generation systems with no battery storage use daytime minimum load (i.e. 10 a.m. to 4 p.m. for fixed panel systems and 8 a.m. to 6 p.m. for PV systems utilizing tracking systems), while all other generation uses absolute minimum load.
- When this screen is being applied to a Small Generating Facility that serves some station service load, only the net injection into Transmission Provider's electric system will be considered as part of the aggregate generation.
- Transmission Provider will not consider as part of the aggregate generation for purposes of this screen generating facility capacity known to be already reflected in the minimum load data.

2.4.4.2 Voltage and Power Quality Screen: In aggregate with existing generation on the line section: (1) the voltage regulation on the line section can be maintained in compliance with relevant requirements under all system conditions; (2) the voltage fluctuation is within acceptable limits as defined by Institute of Electrical and Electronics Engineers (IEEE) Standard 1453, or utility practice similar to IEEE Standard 1453; and (3) the harmonic levels meet IEEE Standard 519 limits.

2.4.4.3 Safety and Reliability Screen: The location of the proposed Small Generating Facility and the aggregate generation capacity on the line section do not create impacts to safety or reliability that cannot be adequately addressed without application of the Study Process. Transmission Provider shall give due consideration to the following and other factors in determining potential impacts to safety and reliability in applying this screen.

- Whether the line section has significant minimum loading levels dominated by a small number of customers (e.g., several large commercial customers).

- Whether the loading along the line section is uniform or even.
- Whether the proposed Small Generating Facility is located in close proximity to the substation (i.e., less than 2.5 electrical circuit miles), and whether the line section from the substation to the Point of Interconnection is a Mainline rated for normal and emergency ampacity.
- Whether the proposed Small Generating Facility incorporates a time delay function to prevent reconnection of the generator to the system until system voltage and frequency are within normal limits for a prescribed time.
- Whether operational flexibility is reduced by the proposed Small Generating Facility, such that transfer of the line section(s) of the Small Generating Facility to a neighboring distribution circuit/substation may trigger overloads or voltage issues.
- Whether the proposed Small Generating Facility employs equipment or systems certified by a recognized standards organization to address technical issues such as, but not limited to, islanding, reverse power flow, or voltage quality.

2.4.5 If the proposed interconnection passes the supplemental screens in Sections 2.4.4.1, 2.4.4.2, and 2.4.4.3 above, the Interconnection Request shall be approved, and Transmission Provider will provide Interconnection Customer with an executable interconnection agreement. If the proposed interconnection fails any of the supplemental review screens and Interconnection Customer does not withdraw its Interconnection Request, it shall continue to be evaluated under the Section 3 Study Process consistent with Section 2.4.5.3 below.

2.4.5.1 If the proposed interconnection passes the supplemental screens in Sections 2.4.4.1, 2.4.4.2, and 2.4.4.3 above and does not require construction of facilities by Transmission Provider on its own system, the interconnection agreement shall be provided after the notification of the supplemental review results.

2.4.5.2 If interconnection facilities or minor modifications to Transmission Provider's system are required for the proposed interconnection to pass the supplemental screens in Sections 2.4.4.1, 2.4.4.2, and 2.4.4.3 above, and Interconnection Customer agrees to pay for the modifications to Transmission Provider's electric system, the interconnection agreement, along with a non-binding good faith estimate for the interconnection facilities and/or minor modifications, shall be provided to Interconnection Customer after receiving written notification of the supplemental review results.

2.4.5.3 If the proposed interconnection would require more than interconnection facilities or minor modifications to Transmission Provider's system to pass the supplemental screens in Sections 2.4.4.1, 2.4.4.2, and 2.4.4.3 above, Transmission Provider shall notify Interconnection Customer, at the same time it notifies Interconnection Customer with the supplemental

review results, that the Interconnection Request shall be evaluated under the Section 3 Study Process unless Interconnection Customer withdraws its Small Generating Facility.

3. Study Process

The Study Process under the LGIP shall be used by an Interconnection Customer proposing to interconnect its Small Generating Facility with Transmission Provider's Transmission System or Distribution System if (a) the Small Generating Facility did not pass the Fast Track Process, or (b) the Transmission Provider determines that the Small Generating Facility cannot be interconnected under the 10 kW Inverter Process.

4. Provisions that Apply to All Interconnection Requests

4.1 Reasonable Efforts

Transmission Provider shall make reasonable efforts to meet all time frames provided in these procedures unless Transmission Provider and Interconnection Customer agree to a different schedule. If Transmission Provider cannot meet a deadline provided herein, it shall notify Interconnection Customer, explain the reason for the failure to meet the deadline, and provide an estimated time by which it will complete the applicable interconnection procedure in the process.

4.2 Disputes

4.2.1 Submission

In the event either Party has a dispute, or asserts a claim, that arises out of or in connection with these procedures or their 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 SGIP.

4.2.2 External Arbitration Procedures

Any arbitration initiated under these procedures shall be conducted before a single neutral arbitrator appointed by the Parties. If the Parties fail to agree 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 taking into account any relevant FERC precedents, any applicable RTO or ISO rules; provided, however, in the event of a conflict between the Arbitration Rules and the terms of this Section 4.2, the terms of this Section 4.2 shall prevail.

4.2.3 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 therefore. The arbitrator(s) shall be authorized only to interpret and apply the provisions of these procedures and shall have no power to modify or change any provision of these procedures 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.

4.2.4 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.

4.3 Interconnection Metering

Any metering necessitated by the use of the Small Generating Facility shall be installed at Interconnection Customer's expense in accordance with Federal Energy Regulatory Commission, state, and/or local regulatory requirements and Transmission Provider's specifications.

4.4 Commissioning

Commissioning tests of Interconnection Customer's installed equipment shall be performed pursuant to applicable codes and standards. Transmission Provider must be given at least ten (10) Business Days written notice, or as otherwise mutually agreed to by the Parties, of the tests and may be present to witness the commissioning tests. Transmission Provider may be represented by a designated third party at such tests.

4.5 Confidentiality

Confidential Information shall include, without limitation, all information designated as Critical Energy/Electric Infrastructure (CEII) Information, 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 an SGIA.

Information is Confidential Information only if it is clearly designated or marked in writing as

confidential on the face of the document, or, if the information is conveyed orally or by inspection, if the Party providing the information orally informs the Party receiving the information that the information is confidential.

If requested by either Party, the other Party shall provide in writing, the basis for asserting that the information referred to in this Section 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.

By signing an agreement with Transmission Provider related to the SGIP, both Parties expressly acknowledges and agrees that neither Party will disclose to third parties (except as expressly set forth herein), without the written consent of the other Party, any information developed or obtained in connection with the performance of the SGIA, and, if requested by the other Party, to require its employees and subcontractors, if any, to execute a non-disclosure agreement prior to performing any services under the SGIA.

If either Party is subject to the Washington Public Records Act, Chapter 42.56 RCW (“PRA”), and a disclosure of Confidential Information is required to be made by pursuant to the PRA, such disclosure shall not be deemed a violation of this Section 4.5, provided that the Party receiving the request has, so far as it is lawful and practical to do so prior to such disclosure: (a) promptly notified the other Party in writing of such, request, order, or requirement; (b) provided a reasonable opportunity for the other Party to seek an appropriate protective order; and (c) cooperated with other Party to narrow the scope of such disclosure to only that portion of the Confidential Information that is necessary to fulfill the request.

4.5.1 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 the SGIA; or (6) is required, in accordance with Section 4.5.6, Order of Disclosure, to be disclosed by any Governmental Authority or is otherwise required to be disclosed by law or subpoena, or is necessary in any legal proceeding establishing rights and obligations under the SGIA. 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.

4.5.2 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), employees, consultants, or to parties who may be or considering providing financing to or equity participation with Interconnection Customer, or to potential purchasers or assignees of Interconnection Customer, on a need-to-know basis in connection with these procedures, unless such person has first been advised of the confidentiality

provisions of this Section 4.5 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 Section 4.5.

4.5.3 Rights

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

4.5.4 No Warranties

By providing Confidential Information, neither Party makes any warranties or representations as to its accuracy or completeness. In addition, by supplying Confidential Information, neither Party obligates itself to provide any particular information or Confidential Information to the other Party nor to enter into any further agreements or proceed with any other relationship or joint venture.

4.5.5 Standard of Care

Each Party shall use at least the same standard of care to protect Confidential Information it receives as it uses to protect its own Confidential Information from unauthorized disclosure, publication or dissemination. Each Party may use Confidential Information solely to fulfill its obligations to the other Party under these procedures or its regulatory requirements.

4.5.6 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, public records request, or otherwise, to disclose Confidential Information, that Party shall use reasonable efforts to provide the other Party with 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 the SGIA. 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.

4.5.7 Remedies

The Parties agree that monetary damages would be inadequate to compensate a Party for the other Party's Breach of its obligations under this Section 4.5. Each Party accordingly agrees that the other Party shall be entitled to equitable relief, by way of injunction or otherwise, if the first Party Breaches or threatens to Breach its obligations under this Section 4.5, 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 be deemed an exclusive

remedy for the Breach of this Section 4.5. The Parties further acknowledge and agree that the covenants contained herein are necessary for the protection of legitimate business interests and are reasonable in scope. No Party, however, shall be liable for indirect, incidental, or consequential or punitive damages of any nature or kind resulting from or arising in connection with this Section 4.5.

4.5.8 Disclosure

Any information that a Party claims is competitively sensitive, commercial or financial information ("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 SGIP or as a transmission service provider or a *Balancing Authority Area* operator including disclosing the Confidential Information to an RTO or ISO or to a subregional, regional or national reliability organization or planning group. The Party asserting confidentiality shall notify the other Party in writing of the information it claims is confidential. Prior to any disclosures of the other Party's Confidential Information under this subparagraph, or if any third party or Governmental Authority makes any request or demand for any of the information described in this subparagraph, the disclosing Party agrees to promptly notify the other Party in writing and agrees to assert confidentiality and cooperate with the other Party in seeking to protect the Confidential Information from public disclosure by confidentiality agreement, protective order or other reasonable measures.

4.5.9 Public Domain

This provision shall not apply to any information that was or is hereafter in the public domain (except as a result of a Breach of this provision).

4.5.10 Confidential Information No Longer Needed

Transmission Provider shall, at Interconnection Customer's election, destroy, in a confidential manner, or return the Confidential Information provided at the time of Confidential Information is no longer needed.

4.6 Comparability

Transmission Provider shall receive, process and analyze all Interconnection Requests in a timely manner as set forth in this document. Transmission Provider shall use the same reasonable efforts in processing and analyzing Interconnection Requests from all Interconnection Customers, whether the Small Generating Facility is owned or operated by Transmission Provider, its subsidiaries or affiliates, or others.

4.7 Record Retention

Transmission Provider shall maintain for three years records, subject to audit, of all Interconnection Requests received under these procedures, the times required to complete Interconnection Request approvals and disapprovals, and justification for the actions taken on the Interconnection Requests.

4.8 Interconnection Agreement

After receiving an interconnection agreement from Transmission Provider, Interconnection Customer shall have thirty (30) Business Days to sign and return the interconnection agreement. If Interconnection Customer does not sign the interconnection agreement within thirty (30) Business Days the Interconnection Request shall be deemed withdrawn. After the interconnection agreement is signed by the Parties, the interconnection of the Small Generating Facility shall proceed under the provisions of the interconnection agreement.

4.8.1 Facilities Operation and Maintenance

The interconnection agreement will set forth funding required, if any, for long-term operations and maintenance associated with the interconnection.

Ownership of installed facilities is determined on a case-by-case basis. Notwithstanding ownership, Transmission Provider generally retains operation and dispatching authority of all facilities that Transmission Provider considers to be an integral part of the Transmission Provider Transmission System.

Transmission Provider reserves the right to approve Transmission System changes at the tap, substation, or interconnection that affect operation of Transmission Provider facilities, including interconnecting with facilities of a third entity.

4.8.2 Environmental Requirements and Cultural Reviews

The Natural and Cultural Resource Review Process or NCCRP is a project review process conducted by Transmission Provider, or its designee, to ensure compliance with environmental permitting, land use permitting, and cultural resources.

Costs associated with environmental and cultural studies, including costs associated with an NCCRP will be funded as part of the interconnection agreement.

Transmission Provider is required to assess the potential environmental impacts of any proposed interconnection in accordance with the State Environmental Policy Act (SEPA) and other environmental regulations. Interconnection Customers are advised to consult with Transmission Provider as early as possible in the planning process to obtain guidance with respect to the appropriate level and scope of any studies or environmental information that Transmission Provider requires. The Washington State Department of Ecology's SEPA requires that Transmission Provider begin environmental review as soon as practicable. The nature of the interconnection request will dictate the level of SEPA compliance required.

The environmental review process can range from a categorical exclusion to a comprehensive environmental impact statement, including the required public process for such a statement. The duration of the cultural review process depends on preliminary findings. Findings may also rule the project as non-viable or require substantial archaeological studies for significant cultural sites. The environmental and cultural review process uses input from previous and other ongoing studies and construction planning processes. Continuation of the interconnection process at any and every step is contingent upon favorable environmental and cultural review.

If the Interconnection Request does not involve integration of a new source of

generation into Transmission Provider transmission facilities, change the operation limits of existing generation, provide service to new discrete loads, or cause major system changes and there are no adverse impacts identified, Transmission Provider may be able to prepare a categorical exclusion for the interconnection. This process can take up to six months to complete, depending on the scope of the interconnection. If the interconnection does involve any of the actions mentioned above, the environmental review process may take 18 months or more, depending on the scope of the interconnection. If Transmission Provider determines that an environmental assessment (EA) or an environmental impact statement (EIS) is required, Transmission Provider may prepare the EA or EIS and, if necessary, use a contractor selected by Transmission Provider. If an EA is prepared, one result may be a determination that an EIS is necessary (in the case that significant impacts may occur or controversy is likely), thus extending the time to complete SEPA compliance.

Transmission Provider may participate in the environmental process of another Federal, State, or local agency involved with a project to satisfy portions of its SEPA requirements. Environmental reviews and related studies conducted by other agencies cannot, however, be routinely adopted, and must meet the standards placed upon Transmission Provider by SEPA or other governmental agency procedures.

4.9 Coordination with Affected Systems

Transmission Provider will coordinate the conduct of any studies required to determine the impact of the Interconnection Request on Affected Systems with Affected System Operators. Interconnection Customer will cooperate with Transmission Provider and Affected System Operator in all matters related to the conduct of studies and the determination of modifications to Affected Systems.

The Affected System Operator whose system may be impacted by a proposed interconnection on another transmission provider's transmission system shall cooperate with Transmission Provider in all matters related to the conduct of studies and the determination of modifications to transmission provider's transmission system.

4.10 Capacity of the Small Generating Facility

4.10.1 If the Interconnection Request is for an increase in capacity for an existing Small Generating Facility, the Interconnection Request shall be evaluated on the basis of the new total capacity of the Small Generating Facility.

4.10.2 If the Interconnection Request is for a Small Generating Facility that includes multiple energy production devices at a site for which Interconnection Customer seeks a single Point of Interconnection, the Interconnection Request shall be evaluated on the basis of the aggregate capacity of the multiple devices.

4.10.3 The Interconnection Request shall be evaluated using the maximum capacity that the Small Generating Facility is capable of injecting into Transmission Provider's electric system. However, if the maximum capacity that the Small Generating Facility is capable of injecting into Transmission Provider's electric system is limited (e.g., through use of a control system, power relay(s), or other similar device settings or adjustments), then Interconnection Customer must obtain Transmission Provider's agreement, with such agreement not to be unreasonably withheld, that the manner in which Interconnection Customer proposes to implement such a limit

will not adversely affect the safety and reliability of Transmission Provider's system. If Transmission Provider does not so agree, then the Interconnection Request must be withdrawn or revised to specify the maximum capacity that the Small Generating Facility is capable of injecting into Transmission Provider's electric system without such limitations. Furthermore, nothing in Section 4.10 shall prevent Transmission Provider from considering an output higher than the limited output, if appropriate, when evaluating system protection impacts.

4.11 Delegation of Responsibility

Transmission Provider may use the services of contractors and subcontractors as it deems appropriate to perform its obligations under this SGIP. Transmission Provider shall remain primarily liable to Interconnection Customer for the performance of such contractors and subcontractors and compliance with its obligations of this SGIP. All contractors and subcontractors shall keep all information provided confidential and shall use such information solely for the performance of such obligation for which it was provided and no other purpose.

4.12 Tax Exempt Bonds

4.12.1 Transmission Providers That Own Facilities Financed by Local Furnishing Bonds.

The Transmission Provider utilizes state and federal income tax-exempt financial instruments on an ongoing basis to fund its transmission, including as described in Section 142(f) of the Internal Revenue Code ("local furnishing bonds"). Notwithstanding any other provision of the SGIA and this SGIP, Transmission Provider shall not be required to provide Interconnection Service to Interconnection Customer pursuant to the SGIA and this SGIP if the provision of such transmission service would jeopardize the tax-exempt status of any local furnishing bond(s) used to finance Transmission Provider's facilities that would be used in providing such Interconnection Service.

4.12.2 Alternative Procedures for Requesting Interconnection Service.

If Transmission Provider determines that the provision of Interconnection Service requested by Interconnection Customer would jeopardize the tax-exempt status of any local furnishing bond(s) used to finance its facilities, it shall advise the Interconnection Customer and shall not be obligated to provide service.

Interconnection Customer thereafter may renew its request for interconnection using the processes in the Transmission Provider's SGIP.

4.13 No Payment of Interest

Transmission Provider will not pay any interest on funds held for any purpose unless the payment of interest is specified for a particular purpose in this SGIP or in an applicable agreement.

4.14 Reliability Requirements

Interconnection to Transmission Provider's transmission facilities will be consistent with Good Utility Practices. A proposed interconnection must not degrade the reliability or operating flexibility of the existing power system and must not cause Transmission Provider's

Transmission System to violate NERC transmission system performance criteria, as specified in applicable reliability standards, nor the Transmission Provider Reliability Coordinator's System Operating Limit methodology requirements. The interconnection must comply with WECC standards, policies, and procedures. When involving Transmission Provider owned, operated, or maintained facilities, the interconnection must also comply with Transmission Provider engineering design and operation criteria, including but not limited to the Transmission Provider's Transmission Planning Guidelines and Distribution Planning Guidelines. Additionally, the interconnection must adhere to any regional planning or operating entities' criteria in effect, and the criteria of other entities affected by the interconnection.

Interconnection Customer will be responsible for testing and reporting requirements in accordance with applicable NERC and WECC Standards/criteria and any similar standards of a successor organization to either NERC or WECC.

4.15 Safety and Security Requirements

When making an interconnection to Transmission Provider facilities, Interconnection Customer shall perform construction to comply with applicable safety laws, building and construction codes. These include provisions of applicable Federal, State, and local safety, health and/or industrial regulations or codes. In addition, Interconnection Customer must adhere to Transmission Provider's Contractor Safety Requirements when working on Transmission Provider property.

If Interconnection Customer does not adhere to construction and safety requirements, Transmission Provider may issue an order to stop all or any part of the work until such time Interconnection Customer demonstrates compliance with the provision at issue. Interconnection Customer cannot make a claim for compensation or damage resulting from such work stoppage.

4.16 Land Acquisition and Land Use Permitting Requirements

Land acquisition and land use permitting will be included in the interconnection agreement. This work involves initiating research of property ownership and zoning, title search and determination, legal land surveys, preparation of legal descriptions and documents, and appraisals. The process may extend through the completion of construction. Typically, negotiations between Transmission Provider, Interconnection Customer and/or affected landowners do not begin until the environmental record of decision or finding of no significant impact is complete, prior to construction.

If the interconnecting facilities are to be owned by Transmission Provider, then any new land rights necessary for the interconnection must be owned by Transmission Provider. Transmission Provider typically conducts all land acquisition and land use permitting activities, including title search and determination, legal land surveys, preparation of legal documents, title insurance, appraisals, negotiations, payment and recording of documents in the County Auditor's Office. Projects may also require damage resolution with landowners following construction. All land rights must be acquired pursuant to Federal, State, County and local laws governing acquisition of real property and land use permits, which is particularly important when other Federal, State and institutional lands are affected by the interconnection.

In certain circumstances, Transmission Provider may determine that Interconnection Customer is capable of performing the necessary land rights and land use permit activities. When this is

the case, Transmission Provider will coordinate closely with Interconnection Customer to ensure proper procedures are followed, and that the proper land rights and land use permits are obtained. Agreements concerning land acquisition issues such as fee or easement, right-of-way width, and title acceptability must be reached between Transmission Provider and Interconnection Customer before any land rights are acquired and transferred to Transmission Provider.

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Attachment 1 Glossary of Terms

10 kW Inverter Process – The procedure for evaluating an Interconnection Request for a certified inverter-based Small Generating Facility no larger than 10 kW that uses the Section 2 screens. The application process uses an all-in-one document that includes a simplified Interconnection Request, simplified procedures, and a brief set of terms and conditions. See SGIP Attachment 5.

Affected System – An electric system affected by a proposed interconnection in a different electric system.

Affected System Operator - The entity that operates an Affected System.

Business Day – The days Monday through Friday, excluding NERC holidays, Presidents Day, Veterans Day, Martin Luther King Jr. Day, Juneteenth, and Native American Heritage Day.

Distribution System – 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 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 Interconnection Customer's wholesale sale of electricity in interstate commerce. Distribution Upgrades do not include Interconnection Facilities.

Electric Reliability Organization - The North American Electric Reliability Corporation or its successor organization.

Fast Track Process – The procedure for evaluating an Interconnection Request for a certified Small Generating Facility that meets the eligibility requirements of Section 2.1 and includes the Section 2 screens, customer options meeting, and optional supplemental review.

Generating Facility Capacity - The net capacity of the Generating Facility or the aggregate net capacity of the Generating Facility where it includes more than one device for the production and/or storage for later injection of electricity.

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 act 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.

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

Interconnection Facilities – Transmission Provider's Interconnection Facilities and 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 Transmission Provider's Transmission System. Interconnection Facilities are sole use facilities and shall not include Distribution Upgrades or Network Upgrades.

Interconnection Request – An Interconnection Customer's request pursuant to the terms of this SGIP 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 Transmission Provider's Transmission System.

Interconnection Service - The service provided by the Transmission Provider associated with interconnecting Interconnection Customer's Small Generating Facility to the Transmission Provider's Transmission System and enabling it to receive electric energy and capacity from the Small Generating Facility at the Point of Interconnection, pursuant to the terms either the Small Generator Interconnection Agreement or the Standard Large Generator Interconnection Agreement and, if applicable, the Transmission Provider's Tariff.

Inverter Based Resource - A plant/facility consisting of individual devices that are capable of exporting Real Power through a power electronic interface(s) such as an inverter or converter, and that are operated together as a single resource at a common point of interconnection to the electric system. Examples include, but are not limited to, plants/facilities with solar photovoltaic (PV), Type 3 and Type 4 wind, battery energy storage system (BESS), and fuel cell devices.

Main Line - The primary or principal circuit that carries electrical power from the substation to various distribution points. It serves as the central route through which electricity flows to supply multiple branches or feeders.

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

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

Network Resource Interconnection Service – An Interconnection Service that allows Interconnection Customer to integrate its Generating Facility with Transmission Provider's System (1) in a manner comparable to that in which 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 – Additions, modifications, and upgrades to Transmission Provider's Transmission System required at or beyond the point at which the Small Generating Facility interconnects with Transmission Provider's Transmission System to accommodate the interconnection with the Small Generating Facility to Transmission Provider's Transmission System. Network Upgrades do not include Distribution Upgrades.

Party or Parties – Transmission Provider, Transmission Owner, Interconnection Customer or any

combination of the above.

Permissible Modification – Any modification permitted under Section 1.5.1 of this SGIP.

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

PURPA – The Public Utility Regulatory Policies Act of 1978

Qualified Small Generating Facility - A Small Generating Facility that has a Generating Facility Capacity of at least 10 kW and that does not meet the criteria for the Fast Track Process as described in Transmission Provider's SGIP.

Queue Position – The order of a valid Interconnection Request, relative to all other pending valid Interconnection Requests, that is established based upon the date and time of receipt of the valid Interconnection Request by Transmission Provider.

Small Generating Facility – Interconnection Customer's device for the production and/or storage for later injection of electricity identified in the Interconnection Request which has a Generating Facility Capacity of no more than 20 MW but shall not include Interconnection Customer's Interconnection Facilities.

Small Generator Interconnection Agreement (SGIA) – The form of interconnection agreement applicable to certain Interconnection Requests for a Small Generating Facility that are not required to use an LGIA as specified in Section 1.1.1.

Standard Large Generator Interconnection Procedures (LGIP) - The interconnection procedures applicable to an Interconnection Request pertaining to a Large Generating Facility and a Qualified Small Generating Facility as specified in Transmission Provider's SGIP.

Study Process – The procedure in the LGIP for evaluating an Interconnection Request that is not eligible for the Fast Track Process or qualify for the 10 kW Inverter Process.

Tariff - The Transmission Provider's Open Access Transmission Tariff as approved by the Transmission Provider's Board of Commissioners, or any agreement executed between Customer and Transmission Provider's governing transmission service and interconnection service prior to the Transmission Provider's Board of Commissioners' approval of an Open Access Transmission 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 – Public Utility District No. 2 of Grant County, Washington.

Transmission Provider's Contractor Safety Requirements – The document titled Contractor Safety Requirements maintained by Transmission Provider

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

Upgrades – The required additions and modifications to 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.

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Attachment 2 – Small Generator Interconnection Request

This form is only applicable to Interconnection Requests with a Generating Facility Capacity that meet the applicability requirements of Section 2.1 of the SGIP.

An Interconnection Request is considered complete when it provides all applicable and correct information required below. Per SGIP Section 1.6, documentation of site control must be submitted with the Interconnection Request.

Preamble and Instructions - An Interconnection Customer must submit this Interconnection Request by hand delivery, mail, or e-mail to Transmission Provider.

Processing Fee or Deposit - If the Interconnection Request is submitted under the Fast Track Process, the non-refundable processing fee is \$1,000.

If the Interconnection Request does not qualify for the Fast Track Process, Interconnection Customer shall be subject to the Study Process in Transmission Provider's LGIP as specified in Section 3 of this SGIP.

**Small Generator Interconnection Request – Application Form
Public Utility District No. 2 of Grant County, Washington**

Applicant's Legal Entity Name:	
Applicant's Mailing Address (include state and zip):	
Name of Contact:	
Title of Contact:	
Office and Mobile Numbers:	
Email:	
Name of Alternate Contact:	
Title of Alternate Contact:	
Alternate Contact Mailing Address (include state and zip):	
Alternate Contact Office and Mobile Numbers:	
Alternate Contact Email:	
Specific location of the proposed new or existing Generating Facility site:	Address: Longitude: Latitude: Parcel Number(s):
Requested Point of Interconnection:	Transmission Substation or Transmission Line:
Requested In-Service Date:	
Application is for:	☐ New Small Generating Facility ☐ Capacity addition to Existing Small Generating Facility
If capacity addition to existing facility, please describe:	
Will the Small Generating Facility be used for any of the following? The Availability of the following options is subject to Transmission Provider's policies at the time of application.	
Net Metering? ☐ Yes ☐ No	
To Supply Power to Interconnection Customer? ☐ Yes ☐ No	
To Supply Power to Others? ☐ Yes ☐ No	

Small Generating Facility Information

Data apply only to the Small Generating Facility, not the Interconnection Facilities.

Energy Source: ☐ Solar ☐ Wind ☐ Hydro Type (e.g., Run-of-River) _____
☐ Diesel ☐ Natural Gas ☐ Fuel Oil ☐ Other (specify) _____

Prime Mover: ☐ Fuel Cell ☐ Recip Engine ☐ Gas Turb ☐ Steam Turb ☐ Microturbine ☐ PV
☐ Other (specify) _____

Type of Generator: ☐ Synchronous ☐ Induction ☐ Inverter

Generator Nameplate Rating: _____ kW (Typical) Generator Nameplate kVAR: _____

Interconnection Customer or Customer-Site Load: _____ kW (if none, so state)

Typical Reactive Load (if known): _____

Maximum Physical Export Capability Requested: _____ kW

List components of the Small Generating Facility equipment package that are currently certified:

Equipment Type	Certifying Entity
1. _____	_____
2. _____	_____
3. _____	_____
4. _____	_____
5. _____	_____

Is the prime mover compatible with the certified protective relay package? ☐ Yes ☐ No

Generator (or solar collector) Manufacturer, Model Name & Number: _____

Version Number: _____

Nameplate Output Power Rating in kW: (Summer) _____ (Winter) _____

Nameplate Output Power Rating in kVA: (Summer) _____ (Winter) _____

Individual Generator Power Factor

Rated Power Factor: Leading: _____ Lagging: _____

Total Number of Generators in wind farm to be interconnected pursuant to this Interconnection Request:

Elevation: _____ Single phase: _____ Three phase: _____

Inverter Manufacturer, Model Name & Number (if used): _____

List of adjustable set points for the protective equipment or software: _____

Note: A completed Power Systems Load Flow data sheet must be supplied with the Interconnection Request.

Small Generating Facility Characteristic Data (for inverter-based machines)
Max design fault contribution current: _____ Instantaneous or RMS _____?
Harmonics Characteristics: _____
Start-up requirements: _____
Small Generating Facility Characteristic Data (for rotating machines)
RPM Frequency: _____
(*) Neutral Grounding Resistor (If Applicable): _____
Synchronous Generators:
Direct Axis Synchronous Reactance, X_d : _____ P.U.
Direct Axis Transient Reactance, X'_d : _____ P.U.
Direct Axis Subtransient Reactance, X''_d : _____ P.U.
Negative Sequence Reactance, X_2 : _____ P.U.
Zero Sequence Reactance, X_0 : _____ P.U.
KVA Base: _____ Field Volts: _____ Field Amperes: _____
Induction Generators:
Motoring Power (kW): _____
I ² t or K (Heating Time Constant): _____
Rotor Resistance, R_r : _____
Stator Resistance, R_s : _____
Stator Reactance, X_s : _____
Rotor Reactance, X_r : _____
Magnetizing Reactance, X_m : _____
Short Circuit Reactance, X_d'' : _____
Exciting Current: _____
Temperature Rise: _____
Frame Size: _____
Design Letter: _____
Reactive Power Required In Vars (No Load): _____
Reactive Power Required In Vars (Full Load): _____
Total Rotating Inertia, H: _____ Per Unit on kVA Base
Note: Please contact Transmission Provider prior to submitting the Interconnection Request to determine if the specified information above is required.
Excitation and Governor System Data for Synchronous Generators Only
Provide appropriate IEEE model block diagram of excitation system, governor system and power system stabilizer (PSS) in accordance with the regional reliability council criteria. A PSS may be determined to be required by applicable studies. A copy of the manufacturer's block diagram may not be substituted.

Interconnection Facilities Information			
Will a transformer be used between the generator and the point of common coupling? ☐ Yes ☐ No			
Will the transformer be provided by Interconnection Customer? ☐ Yes ☐ No			
Transformer Data (If Applicable, for Interconnection Customer-Owned Transformer):			
Is the transformer: _____ single phase _____ three phase? Size: _____ kVA			
Transformer Impedance: _____ % on _____ kVA Base			
If Three Phase:			
Transformer Primary:	_____ Volts	_____ Delta	_____ Wye _____ Wye Grounded
Transformer Secondary:	_____ Volts	_____ Delta	_____ Wye _____ Wye Grounded
Transformer Tertiary:	_____ Volts	_____ Delta	_____ Wye _____ Wye Grounded
Transformer Fuse Data (If Applicable, for Interconnection Customer-Owned Fuse):			
(Attach copy of fuse manufacturer's Minimum Melt and Total Clearing Time-Current Curves)			
Manufacturer: _____ Type: _____ Size: _____ Speed: _____			
Interconnecting Circuit Breaker (if applicable):			
Manufacturer: _____ Type: _____			
Load Rating (Amps): _____ Interrupting Rating (Amps): _____ Trip Speed (Cycles): _____			
Interconnection Protective Relays (If Applicable):			
<u>If Microprocessor-Controlled:</u> List of Functions and Adjustable Setpoints for the protective equipment or software:			
	Setpoint Function	Minimum	Maximum
1.	_____	_____	_____
2.	_____	_____	_____
3.	_____	_____	_____
4.	_____	_____	_____
5.	_____	_____	_____
6.	_____	_____	_____
If Discrete Components: (Enclose Copy of any Proposed Time-Overcurrent Coordination Curves)			
Manufacturer: _____	Type: _____	Style/Catalog No.: _____	Proposed Setting: _____
Manufacturer: _____	Type: _____	Style/Catalog No.: _____	Proposed Setting: _____
Manufacturer: _____	Type: _____	Style/Catalog No.: _____	Proposed Setting: _____
Manufacturer: _____	Type: _____	Style/Catalog No.: _____	Proposed Setting: _____
Manufacturer: _____	Type: _____	Style/Catalog No.: _____	Proposed Setting: _____
Current Transformer Data (If Applicable):			
(Enclose Copy of Manufacturer's Excitation and Ratio Correction Curves)			
Manufacturer: _____			
Type: _____ Accuracy Class: _____ Proposed Ratio Connection: _____			
Manufacturer: _____			

Type: _____ Accuracy Class: _____ Proposed Ratio Connection: _____
Potential Transformer Data (If Applicable):
Manufacturer: _____
Type: _____ Accuracy Class: _____ Proposed Ratio Connection: _____
Manufacturer: _____
Type: _____ Accuracy Class: _____ Proposed Ratio Connection: _____
General Information
Enclose a copy of site electrical one-line diagram showing the configuration of all Small Generating Facility equipment, current and potential circuits, and protection and control schemes. This one-line diagram must be signed and stamped by a licensed Professional Engineer if the Small Generating Facility is larger than 50 kW. Is One-Line Diagram Enclosed? ☐ Yes ☐ No Enclose copy of any site documentation that indicates the precise physical location of the proposed Small Generating Facility (e.g., USGS topographic map or other diagram or documentation). Proposed location of protective interface equipment on property (include address if different from Interconnection Customer's address) _____ Enclose copy of any site documentation that describes and details the operation of the protection and control schemes. Is Available Documentation Enclosed? ☐ Yes ☐ No Enclose copies of schematic drawings for all protection and control circuits, relay current circuits, relay potential circuits, and alarm/monitoring circuits (if applicable). Are Schematic Drawings Enclosed? ☐ Yes ☐ No
Applicant Signature
I hereby certify that, to the best of my knowledge, all the information provided in this Interconnection Request is true and correct. Signature: Print Name: Title: Date:

Attachment 3 - Certification Codes and Standards

(See Certification Codes and Standards posted on Transmission Provider's public website)

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Attachment 4 - Certification of Small Generator Equipment Packages

1. Small Generating Facility equipment proposed for use separately or packaged with other equipment in an interconnection system shall be considered certified for interconnected operation if (1) it has been tested in accordance with industry standards for continuous utility interactive operation in compliance with the appropriate codes and standards referenced by any Nationally Recognized Testing Laboratory (NRTL) recognized by the United States Occupational Safety and Health Administration to test and certify interconnection equipment pursuant to the relevant codes and standards listed in SGIP Attachment 3, (2) it has been labeled and is publicly listed by such NRTL at the time of the interconnection application, and (3) such NRTL makes readily available for verification all test standards and procedures it utilized in performing such equipment certification, and, with consumer approval, the test data itself. The NRTL may make such information available on its website and by encouraging such information to be included in the manufacturer's literature accompanying the equipment.
2. Interconnection Customer must verify that the intended use of the equipment falls within the use or uses for which the equipment was tested, labeled, and listed by the NRTL.
3. Certified equipment shall not require further type-test review, testing, or additional equipment to meet the requirements of this interconnection procedure; however, nothing herein shall preclude the need for an on-site commissioning test by the parties to the interconnection nor follow-up production testing by the NRTL.
4. If the certified equipment package includes only interface components (switchgear, inverters, or other interface devices), then an Interconnection Customer must show that the generator or other electric source being utilized with the equipment package is compatible with the equipment package and is consistent with the testing and listing specified for this type of interconnection equipment.
5. Provided the generator or electric source, when combined with the equipment package, is within the range of capabilities for which it was tested by the NRTL, and does not violate the interface components' labeling and listing performed by the NRTL, no further design review, testing or additional equipment on the customer side of the point of common coupling shall be required to meet the requirements of this interconnection procedure.
6. An equipment package does not include equipment provided by the utility.
7. Any equipment package approved and listed in a state by that state's regulatory body for interconnected operation in that state prior to the effective date of these small generator interconnection procedures shall be considered certified under these procedures for use in that state.

Attachment 5 - Application, Procedures, and Terms and Conditions for Interconnecting a Certified Inverter-Based Small Generating Facility No Larger than 10 kW ("10 kW Inverter Process") not covered by net-metering

1. Interconnection Customer ("Customer") completes the Interconnection Request ("Application") and submits it to Public Utility District No. 2 of Grant County, Washington ("Transmission Provider").
2. Transmission Provider acknowledges receipt of the Application within five (5) Business Days of receipt to Customer.
3. Transmission Provider evaluates the Application for completeness and notifies Customer within twenty (20) Business Days of receipt that the Application is or is not complete and, if not, advises what material is missing.
4. Transmission Provider verifies that the Small Generating Facility can be interconnected safely and reliably using the screens contained in the Fast Track Process in the Small Generator Interconnection Procedures (SGIP). Unless Transmission Provider determines and demonstrates that the Small Generating Facility cannot be interconnected safely and reliably, Transmission Provider approves the Application and returns it to Customer. Note to Customer: Please check with Transmission Provider before submitting the Application if disconnection equipment is required.
5. After installation, Customer returns the Certificate of Completion to Transmission Provider. Prior to parallel operation, Transmission Provider may inspect the Small Generating Facility for compliance with standards which may include a witness test, and may schedule appropriate metering replacement, if necessary.
6. Transmission Provider notifies Customer in writing that interconnection of the Small Generating Facility is authorized. If the witness test is not satisfactory, Transmission Provider has the right to disconnect the Small Generating Facility. Customer has no right to operate in parallel until a witness test has been performed, or previously waived by the Transmission Provider on the Application. Transmission Provider will endeavor to complete this witness test within twenty (20) Business Days of the receipt of the Certificate of Completion.
7. Contact Information – Customer must provide the contact information for the legal applicant (i.e., Interconnection Customer). If another entity is responsible for interfacing with Transmission Provider, that contact information must be provided on the Application.
8. Ownership Information – Enter the legal names of the owner(s) of the Small Generating Facility. Include the percentage ownership (if any) by any utility or public utility holding company, or by any entity owned by either.
9. UL1741 Listed – This standard ("Inverters, Converters, and Controllers for Use in Independent Power Systems") addresses the electrical interconnection design of various forms of generating equipment. Many manufacturers submit their equipment to a Nationally Recognized Testing Laboratory (NRTL) that verifies compliance with UL1741. This "listing" is then marked on the equipment and supporting documentation.

**Application for Interconnecting a Certified Inverter-Based Small Generating Facility
No Larger than 10kW that does not include net-metering**

This Application is considered complete when it provides all applicable and correct information required below. Per SGIP Section 1.5, documentation of site control must be submitted with the Interconnection Request. Additional information to evaluate the Application may be required.

A non-refundable processing fee of \$850.00 must accompany this Application.

Interconnection Customer:	
Legal Entity Name:	
Mailing Address (include state and zip):	
Name of Contact:	
Title of Contact:	
Office and Mobile Numbers:	
Email:	
Contact (if different from Interconnection Customer):	
Legal Entity Name:	
Mailing Address (include state and zip):	
Name Contact:	
Title of Contact:	
Office and Mobile Numbers:	
Email:	
Small Generating Facility Information:	
Owner of the facility (indicate % ownership by any legal entity):	

Inverter Manufacturer: _____ Model: _____

Nameplate Rating: _____ (kW) _____ (kVA) _____ (AC Volts)

Single Phase _____ Three Phase _____

System Design Capacity: _____ (kW) _____ (kVA)

Prime Mover: ☐ Photovoltaic ☐ Reciprocating Engine ☐ Fuel Cell ☐ Turbine

☐ Other (describe): _____

Energy Source: ☐ Solar ☐ Wind ☐ Hydro ☐ Diesel ☐ Natural Gas ☐ Fuel Oil

☐ Other (describe): _____

Is the equipment UL1741 Listed? ☐ Yes ☐ No

If Yes, attach manufacturer's cut-sheet showing UL1741 listing.

Estimated Installation Date: _____ Estimated In-Service Date: _____

The 10 kW Inverter Process is available only for inverter-based Small Generating Facilities no larger than 10 kW that meet the codes, standards, and certification requirements of Attachments 3 and 4 of the Small Generator Interconnection Procedures (SGIP), or Transmission Provider has reviewed the design or tested the proposed Small Generating Facility and is satisfied that it is safe to operate.

List components of the Small Generating Facility equipment package that are currently certified:

	Equipment Type	Certifying Entity
1.	_____	_____
2.	_____	_____
3.	_____	_____
4.	_____	_____
5.	_____	_____

Interconnection Customer Signature

I hereby certify that, to the best of my knowledge, the information provided in this Application is true. I agree to abide by the Terms and Conditions for Interconnecting an Inverter-Based Small Generating Facility No Larger than 10kW and return the Certificate of Completion when the Small Generating Facility has been installed.

Signature: _____

Print Name: _____

Title: _____

Date: _____

The section below is for Transmission Provider use only

Contingent Approval to Interconnect the Small Generating Facility

Interconnection of the Small Generating Facility is approved contingent upon the Terms and Conditions for Interconnecting an Inverter-Based Small Generating Facility No Larger than 10kW and return of the Certificate of Completion.

Signature: _____

Print Name: _____

Title: _____

Date: _____

Application ID number: _____

Small Generating Facility Certificate of Completion

Is the Small Generating Facility owner-installed?	☐ Yes ☐ No
Interconnection Customer:	
Name of Contact:	
Address:	
Office and Mobile Numbers:	
Email:	
Location of Small Generating Facility (if different from above):	

Electrician	
Name:	
Address:	
Phone Number:	
Email:	
License Number:	
Location of Small Generating Facility (if different from above):	
Date Approval to Install Facility granted by the Transmission Provider:	
Applicant ID Number:	

Inspection:	
The Small Generating Facility has been installed and inspected in compliance with the local building/electrical code of:	
Signature (local electrical wiring inspector or attach a signed electrical inspection):	
Signature: _____ Print Name: _____ Title: _____ Date: _____	

As a condition of interconnection, you are required to send a copy of this form along with a copy of the signed electrical permit to (insert Transmission Provider information below):

Grant PUD
Attn: Transmission Services Manager
PO Box 878
Ephrata, WA 98823
TransmissionServices@gcpud.org

Please contact the Transmission Services Manager at Grant PUD to obtain instructions for electronic transfer of documents and funds.

The section below is for Transmission Provider use only

Approval to Energize the Small Generating Facility

Energizing the Small Generating Facility is approved contingent upon the Terms and Conditions for Interconnecting an Inverter-Based Small Generating Facility No Larger than 10kW.

Signature: _____
Print Name: _____
Title: _____
Date: _____

Application ID number: _____

Terms and Conditions for Interconnecting an Inverter-Based Small Generating Facility No Larger than 10kW

1. Construction of the Facility

Interconnection Customer (the "Customer") may proceed to construct (including operational testing not to exceed two hours) the Small Generating Facility when Public Utility District No. 2 of Grant County, Washington ("Transmission Provider") approves the Interconnection Request (the "Application") and returns it to the Customer.

2. Interconnection and Operation

Customer may operate Small Generating Facility and interconnect with Transmission Provider's electric system once all of the following have occurred:

2.1 Upon completing construction, Customer will cause the Small Generating Facility to be inspected or otherwise certified by the appropriate local electrical wiring inspector with jurisdiction, and

2.2 Customer returns the Certificate of Completion to Transmission Provider, and

2.3 Transmission Provider has either:

2.3.1 Completed its inspection of the Small Generating Facility to ensure that all equipment has been appropriately installed and that all electrical connections have been made in accordance with applicable codes. All inspections must be conducted by Transmission Provider, at its own expense, within ten (10) Business Days after receipt of the Certificate of Completion and shall take place at a time agreeable to the Parties. Transmission Provider shall provide a written statement that the Small Generating Facility has passed inspection or shall notify Customer of what steps it must take to pass inspection as soon as practicable after the inspection takes place; or

2.3.2 Transmission Provider has the right to disconnect the Small Generating Facility in the event of improper installation or failure to return the Certificate of Completion.

2.4 Revenue quality metering equipment, as specified by the Transmission Provider, must be installed and tested in accordance with applicable ANSI standards.

3. Safe Operations and Maintenance

Customer shall be fully responsible to operate, maintain, and repair the Small Generating Facility as required to ensure that it complies at all times with the interconnection standards to which it has been certified.

4. Access

Transmission Provider shall have access to the disconnect switch (if the disconnect switch is required) and metering equipment of the Small Generating Facility at all times. Transmission Provider shall provide reasonable notice to the Customer, when possible, prior to using its right of access.

5. Disconnection

Transmission Provider may temporarily disconnect the Small Generating Facility upon the following conditions:

- 5.1 For scheduled outages upon reasonable notice.
- 5.2 For unscheduled outages or emergency conditions.
- 5.3 If the Small Generating Facility does not operate in the manner consistent with these Terms and Conditions.
- 5.4 Transmission Provider shall inform Customer in advance of any scheduled disconnection, or as is reasonable after an unscheduled disconnection.

6. Indemnification

The Parties shall at all times indemnify, defend, and save 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 agreement on behalf of the indemnifying Party, except in cases of gross negligence or intentional wrongdoing by the indemnified Party.

7. Insurance

The Parties agree to follow all applicable insurance requirements imposed by the state in which the Point of Interconnection is located. All insurance policies must be maintained with insurers authorized to do business in that state. The Customer's insurance will include the Transmission Provider as additional insured on a primary and non-contributory basis. A waiver of subrogation will apply in favor of the Transmission Provider.

8. 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, incidental, special, consequential, or punitive damages of any kind whatsoever, except as allowed under paragraph 6.

9. Termination

The agreement to operate in parallel may be terminated under the following conditions:

9.1 By Customer

By providing written notice to Transmission Provider.

9.2 By Transmission Provider

If the Small Generating Facility fails to operate for any consecutive 12-month period or Customer fails to remedy a violation of these Terms and Conditions.

9.3 Permanent Disconnection

In the event this Agreement is terminated, Transmission Provider shall have the right to disconnect its facilities or direct Customer to disconnect its Small Generating Facility.

9.4 Survival Rights

This Agreement shall continue in effect after termination to the extent necessary to allow or require either Party to fulfill rights or obligations that arose under the Agreement.

10. Assignment/Transfer of Ownership of the Facility

This Agreement shall survive the transfer of ownership of the Small Generating Facility to a new owner when the new owner agrees in writing to comply with the terms of this Agreement and so notifies Transmission Provider.

PUBLIC UTILITY DISTRICT NO. 2 OF GRANT COUNTY, WASHINGTON

**SMALL GENERATOR INTERCONNECTION
AGREEMENT**

(SGIA)

(For Generating Facilities No Larger Than 20 MW)

Contract Documents XXX-XXXXX

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This Small Generator Interconnection Agreement (“Agreement”) is made and entered into by and between Public Utility District No. 2 of Grant County, Washington, a municipal corporation organized and existing under the laws of the State of Washington (“Grant PUD”) and _____, a _____ organized and existing under the laws of the State of _____ (“Customer”). Grant PUD and Customer each may be referred to as a “Party” or collectively as the “Parties.”

RECITALS

WHEREAS, Grant PUD operates the Transmission System to which Customer intends to interconnect; and

WHEREAS, Customer intends to own, lease and/or control and operate the Small Generating Facility identified in Attachment 2 to this Agreement;

WHEREAS, Customer has submitted an Application for Interconnection dated _____;

WHEREAS, Grant PUD has completed all required studies to determine requirements to make Interconnection Service available on its Transmission System or Distribution System to accommodate Customer’s Interconnection Request; and

WHEREAS, Customer and Grant PUD have agreed to enter into this Agreement for the purpose of interconnecting the Generating Facility with the Transmission System or Distribution System.

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

1. Scope and Limitations of Agreement

- 1.1 This Agreement shall be used for all 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 This Agreement governs the terms and conditions under which Customer’s Small Generating Facility will interconnect with, and operate in parallel with, Grant PUD's Transmission System.
- 1.3 This Agreement does not constitute an agreement to purchase or deliver Customer's power. The purchase or delivery of power and other services that Customer may require will be covered under separate agreements, if any. Customer will be responsible for separately making all necessary arrangements (including scheduling) for delivery of electricity with the applicable transmission provider.
- 1.4 Nothing in this Agreement is intended to affect any other agreement between Grant PUD and 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 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, and in accordance with this Agreement, and with Good Utility Practice.
- 1.5.3 Grant PUD shall construct, operate, and maintain its Transmission System, Distribution System, and Interconnection Facilities in accordance with this Agreement, and with Good Utility Practice.
- 1.5.4 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. 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 Grant PUD and any 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. Grant PUD and Customer, as appropriate, shall provide Interconnection Facilities that adequately protect Grant PUD'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 Grant PUD shall coordinate with all Affected Systems to support the interconnection.
- 1.5.7 Customer shall ensure "frequency ride through" capability and "voltage ride through" capability of its Small Generating Facility. Customer shall enable these capabilities such that its Small Generating Facility shall not disconnect automatically or instantaneously from the system or equipment of Grant PUD and any Affected Systems for a defined under-frequency or over-frequency condition, or an under-voltage or over-voltage condition, as tested pursuant to Section 2.1 of this agreement. The defined conditions shall be in accordance with Good Utility Practice and consistent with any standards and guidelines that are applied to other generating facilities in the Balancing Authority Area on a comparable basis. The Small Generating Facility's protective equipment settings shall comply with Grant PUD's automatic load-shed program. Grant PUD shall review the protective equipment settings to confirm compliance with the automatic load-shed program. The term "ride through" as used herein shall mean the ability of a Small Generating Facility to stay connected to and synchronized with the system or equipment of Grant PUD and any Affected Systems during system disturbances within a range of conditions, in accordance with Good Utility Practice and consistent with any standards and guidelines that are applied to other generating facilities in the

Balancing Authority Area on a comparable basis. The term “frequency ride through” as used herein shall mean the ability of a Small Generating Facility to stay connected to and synchronized with the system or equipment of Grant PUD and any Affected Systems during system disturbances within a range of under-frequency and over-frequency conditions, in accordance with Good Utility Practice and consistent with any standards and guidelines that are applied to other generating facilities in the Balancing Authority Area on a comparable basis. The term “voltage ride through” as used herein shall mean the ability of a Small Generating Facility to stay connected to and synchronized with the system or equipment of Grant PUD and any Affected Systems during system disturbances within a range of under-voltage and over-voltage conditions, in accordance with Good Utility Practice and consistent with any standards and guidelines that are applied to other generating facilities in the Balancing Authority Area on a comparable basis. For abnormal frequency conditions and voltage conditions within the “no trip zone” defined by reliability standard PRC-024-3 or successor mandatory ride through Applicable Reliability Standards, the non-synchronous Small Generating Facility must ensure that, within any physical limitations of the Small Generating Facility, its control and protection settings are configured or set to (1) continue active power production during disturbance and post-disturbance periods at pre-disturbance levels unless reactive power priority mode is enabled or unless providing primary frequency response or fast frequency response; (2) minimize reductions in active power and remain within dynamic voltage and current limits, if reactive power priority mode is enabled, unless providing primary frequency response or fast frequency response; (3) not artificially limit dynamic reactive power capability during disturbances; and (4) return to pre-disturbance active power levels without artificial ramp rate limits if active power is reduced, unless providing primary frequency response or fast frequency response.

- 1.5.8 Balancing Authority Area Notification. At least nine months before Initial Synchronization Date, Customer shall notify Grant PUD in writing of the Balancing Authority Area in which the Generating Facility will be located. If Customer elects to locate the Generating Facility in a Balancing Authority Area other than the Balancing Authority Area in which the Generating Facility is physically located, and if permitted to do so by the relevant transmission tariffs and business practices, all necessary arrangements, including but not limited to remote Balancing Authority Area generator interchange agreements, if applicable, and the appropriate measures under such agreements, shall be executed and implemented prior to the placement of the Generating Facility in the other Balancing Authority Area.
- 1.6 Data Supply and Parallel Operation Obligations. Customer shall abide by all rules and procedures pertaining to the parallel operation and supply of data of the Small Generating Facility in the applicable Balancing Authority Area, including, but not limited to; 1) the rules and procedures concerning the operation of generation set forth in the Tariff or by the applicable system operator(s) for Grant PUD's Transmission System and; 2) the Operating Requirements set forth in Attachment 5 of this Agreement. 3) the data requirements and other requirements set forth in Attachment 7, Generating Facility Data and Performance Requirements, of this Agreement. Attachment 7 will be modified by Grant PUD 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 Attachment 7 of this Agreement.
- 1.7 Metering. Customer shall be responsible for Grant PUD'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. Customer's metering (and data acquisition, as required) equipment shall conform to applicable industry rules and Operating Requirements.

1.8 Reactive Power and Primary Frequency Response

1.8.1 Power Factor Design Criteria

1.8.1.1 Synchronous Generation. 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 Grant PUD has established different requirements that apply to all similarly situated synchronous generators in the Balancing Authority Area on a comparable basis.

1.8.1.2 Non-Synchronous Generation. Customer shall design its Small Generating Facility to maintain a composite power delivery at any non-zero power output measured at metering point at a power factor within the range of 0.95 leading to 0.95 lagging, unless Grant PUD has established a different power factor range that applies to all similarly situated non-synchronous generators in the Balancing Authority Area on a comparable basis. This power factor range standard shall be dynamic and can be met using, for example, power electronics designed to supply this level of reactive capability (taking into account any limitations due to voltage level, real power output, etc.) or fixed and switched capacitors, or a combination of the two.

1.8.2 Reactive Power Supply. Grant PUD shall pay Customer for reactive power that Customer provides or absorbs from the Small Generating Facility when Grant PUD requests or directs Customer to operate its Small Generating Facility outside the range specified in Section 1.8.1.

1.8.3 Customer Compensation. If Grant PUD requests or directs Customer to provide a service pursuant to Section 1.8.2 of this Agreement, Grant PUD shall compensate Customer in accordance with 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. There shall be no compensation if there is no applicable rate schedule then in effect.

1.8.4 Primary Frequency Response. Customer shall ensure the primary frequency response capability of its Small Generating Facility by installing, maintaining, and operating a functioning governor or equivalent controls. The term "functioning governor or equivalent controls" as used herein shall mean the required hardware and/or software that provides frequency responsive real power control with the ability to sense changes in system frequency and autonomously adjust the Small Generating Facility's real power output in accordance with the droop and deadband parameters and in the direction needed to correct frequency deviations. Customer is required to install a governor or equivalent controls with the capability of operating: (1) with a maximum 5 percent droop and ± 0.036 Hz deadband; or (2) in accordance with the relevant droop, deadband, and timely and sustained response settings from an approved Electric Reliability Organization reliability standard providing for

equivalent or more stringent parameters. The droop characteristic shall be: (1) based on the nameplate capacity of the Small Generating Facility, and shall be linear in the range of frequencies between 59 to 61 Hz that are outside of the deadband parameter; or (2) based on an approved Electric Reliability Organization reliability standard providing for an equivalent or more stringent parameter. The deadband parameter shall be: the range of frequencies above and below nominal (60 Hz) in which the governor or equivalent controls is not expected to adjust the Small Generating Facility's real power output in response to frequency deviations. The deadband shall be implemented: (1) without a step to the droop curve, that is, once the frequency deviation exceeds the deadband parameter, the expected change in the Small Generating Facility's real power output in response to frequency deviations shall start from zero and then increase (for under-frequency deviations) or decrease (for over-frequency deviations) linearly in proportion to the magnitude of the frequency deviation; or (2) in accordance with an approved Electric Reliability Organization reliability standard providing for an equivalent or more stringent parameter. Customer shall notify Grant PUD that the primary frequency response capability of the Small Generating Facility has been tested and confirmed during commissioning. Once Customer has synchronized the Small Generating Facility with the Transmission System, Customer shall operate the Small Generating Facility consistent with the provisions specified in Sections 1.8.4.1 and 1.8.4.2 of this Agreement. The primary frequency response requirements contained herein shall apply to both synchronous and non-synchronous Small Generating Facilities.

1.8.4.1 Governor or Equivalent Controls. Whenever the Small Generating Facility is operated in parallel with the Transmission System, Customer shall operate the Small Generating Facility with its governor or equivalent controls in service and responsive to frequency. Customer shall: (1) in coordination with Grant PUD and/or the relevant balancing authority, set the deadband parameter to: (1) a maximum of ± 0.036 Hz and set the droop parameter to a maximum of 5 percent; or (2) implement the relevant droop and deadband settings from an approved Electric Reliability Organization reliability standard that provides for equivalent or more stringent parameters. Customer shall be required to provide the status and settings of the governor or equivalent controls to Grant PUD and/or the relevant Balancing Authority upon request. If Customer needs to operate the Small Generating Facility with its governor or equivalent controls not in service, Customer shall immediately notify Grant PUD and the relevant Balancing Authority, and provide both with the following information: (1) the operating status of the governor or equivalent controls (i.e., whether it is currently out of service or when it will be taken out of service); (2) the reasons for removing the governor or equivalent controls from service; and (3) a reasonable estimate of when the governor or equivalent controls will be returned to service. Customer shall make Reasonable Efforts to return its governor or equivalent controls into service as soon as practicable. Customer shall make Reasonable Efforts to keep outages of the Small Generating Facility's governor or equivalent controls to a minimum whenever the Small Generating Facility is operated in parallel with the Transmission System.

1.8.4.2 Timely and Sustained Response. Customer shall ensure that the Small Generating Facility's real power response to sustained frequency deviations

outside of the deadband setting is automatically provided and shall begin immediately after frequency deviates outside of the deadband, and to the extent the Small Generating Facility has operating capability in the direction needed to correct the frequency deviation. Customer shall not block or otherwise inhibit the ability of the governor or equivalent controls to respond and shall ensure that the response is not inhibited, except under certain operational constraints including, but not limited to, ambient temperature limitations, physical energy limitations, outages of mechanical equipment, or regulatory requirements. The Small Generating Facility shall sustain the real power response at least until system frequency returns to a value within the deadband setting of the governor or equivalent controls. An approved Electric Reliability Organization Applicable Reliability Standard with equivalent or more stringent requirements shall supersede the above requirements.

1.8.4.3 Exemptions. Small Generating Facilities that are regulated by the United States Nuclear Regulatory Commission shall be exempt from Sections 1.8.4, 1.8.4.1, and 1.8.4.2 of this Agreement. Small Generating Facilities that are behind the meter generation that is sized-to-load (i.e., the thermal load and the generation are near-balanced in real-time operation and the generation is primarily controlled to maintain the unique thermal, chemical, or mechanical output necessary for the operating requirements of its host facility) shall be required to install primary frequency response capability in accordance with the droop and deadband capability requirements specified in Section 1.8.4, but shall be otherwise exempt from the operating requirements in Sections 1.8.4, 1.8.4.1, 1.8.4.2, and 1.8.4.4 of this Agreement.

1.8.4.4 Electric Storage Resources. Customer interconnecting a Small Generating Facility that contains an electric storage resource shall establish an operating range in Attachment 7 of its SGIA that specifies a minimum state of charge and a maximum state of charge between which the electric storage resource will be required to provide primary frequency response consistent with the conditions set forth in Sections 1.8.4, 1.8.4.1, 1.8.4.2 and 1.8.4.3 of this Agreement. Attachment 7 shall specify whether the operating range is static or dynamic, and shall consider: (1) the expected magnitude of frequency deviations in the interconnection; (2) the expected duration that system frequency will remain outside of the deadband parameter in the interconnection; (3) the expected incidence of frequency deviations outside of the deadband parameter in the interconnection; (4) the physical capabilities of the electric storage resource; (5) operational limitations of the electric storage resource due to manufacturer specifications; and (6) any other relevant factors agreed to by Grant PUD and Customer, and in consultation with the relevant transmission owner or balancing authority as appropriate. If the operating range is dynamic, then Attachment 7 must establish how frequently the operating range will be reevaluated and the factors that may be considered during its reevaluation.

Customer's electric storage resource is required to provide timely and sustained primary frequency response consistent with Section 1.8.4.2 of this Agreement when it is online and dispatched to inject electricity to the

Transmission System and/or receive electricity from the Transmission System. This response excludes circumstances when the electric storage resource is not dispatched to inject electricity to the Transmission System and/or dispatched to receive electricity from the Transmission System. If Customer's electric storage resource is charging at the time of a frequency deviation outside of its deadband parameter, it is to increase (for over-frequency deviations) or decrease (for under-frequency deviations) the rate at which it is charging in accordance with its droop parameter. Customer's electric storage resource is not required to change from charging to discharging, or vice versa, unless the response necessitated by the droop and deadband settings requires it to do so and it is technically capable of making such a transition.

1.9 Additional Requirements

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

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

2.1 Equipment Testing and Inspection

Customer shall test and inspect its Small Generating Facility and Interconnection Facilities prior to interconnection. Customer shall notify Grant PUD of such activities no fewer than ten 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. Grant PUD may, at its own expense, send qualified personnel to the Small Generating Facility site to inspect the interconnection and observe the testing. Customer shall provide Grant PUD a written test report when such testing and inspection is completed.

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

2.2 Authorization Required Prior to Parallel Operation

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

2.2.2 Customer shall not operate its Small Generating Facility in parallel with Grant PUD's Transmission System without prior written authorization of Grant PUD. Grant PUD will provide such authorization once Grant PUD receives notification that 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, Grant PUD may send a qualified person to the premises of 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, Customer shall notify Grant PUD at least ten 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, Grant PUD shall have access to 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 Section 2.

3. Effective Date, Term, Termination, and Disconnection

- 3.1 **Effective Date.** This Agreement shall become effective upon execution by the Parties. In the event Customer fails to execute this Agreement within 30 Business Days following execution by Grant PUD, this Agreement will be of no force or effect, and neither Customer nor Grant PUD will have any rights or obligations hereunder.
- 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 Customer may request and shall be automatically renewed for each successive one-year period thereafter, unless terminated earlier in accordance with Section 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.
 - 3.3.1 Customer may terminate this Agreement at any time by giving Grant PUD 20 Business Days written notice.
 - 3.3.2 Either Party may terminate this Agreement after Default pursuant to Section 7.6.
 - 3.3.3 Upon termination of this Agreement, the Small Generating Facility will be disconnected from Grant PUD's 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 SGIA, or such non-terminating Party otherwise is responsible for these costs under this SGIA.
 - 3.3.4 The termination of this Agreement shall not relieve either Party of its liabilities and obligations, owed or continuing at the time of the termination.

- 3.3.5 The provisions of this section 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 Grant PUD, 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, Grant PUD's Interconnection Facilities or the Transmission Systems of others to which the Transmission System is directly connected; or (3) that, in the case of 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 Customer's Interconnection Facilities. Under Emergency Conditions, Grant PUD may immediately suspend interconnection service and temporarily disconnect the Small Generating Facility. Grant PUD shall notify Customer promptly when it becomes aware of an Emergency Condition that may reasonably be expected to affect Customer's operation of the Small Generating Facility. Customer shall notify Grant PUD promptly when it becomes aware of an Emergency Condition that may reasonably be expected to affect Grant PUD's Transmission System or any 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. Grant PUD may interrupt interconnection service or curtail the output of the Small Generating Facility and temporarily disconnect the Small Generating Facility from Grant PUD's Transmission System when necessary for routine maintenance, construction, and repairs on Grant PUD's Transmission System. Grant PUD shall provide Customer with five Business Days' notice prior to such interruption. Grant PUD shall use Reasonable Efforts to coordinate such reduction or temporary disconnection with Customer.
- 3.4.3 Forced Outages. During any forced outage, Grant PUD may suspend interconnection service to effect immediate repairs on Grant PUD's Transmission System. Grant PUD shall use Reasonable Efforts to provide Customer with prior notice. If prior notice is not given, Grant PUD shall, upon request, provide Customer written documentation after the fact explaining the circumstances of the disconnection.
- 3.4.4 Adverse Operating Effects. Grant PUD shall notify 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 Grant PUD's Transmission System or Affected Systems. Supporting documentation used to reach the decision to disconnect shall be provided to Customer upon request. If, after notice, Customer fails to remedy the adverse operating effect within a reasonable time, Grant PUD may disconnect the Small Generating Facility. Grant

PUD shall provide Customer with five Business Day notice of such disconnection, unless the provisions of Section 3.4.1 apply.

- 3.4.5 Modification of the Small Generating Facility. Customer must receive written authorization from Grant PUD 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 Customer makes such modification without Grant PUD'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 Grant PUD's Transmission System to their normal operating state as soon as reasonably practicable following a temporary disconnection.

4. Cost Responsibility for Interconnection Facilities and Distribution Upgrades

4.1 Interconnection Facilities.

- 4.1.1 Customer shall pay for the cost of the Interconnection Facilities itemized in Attachment 2 of this Agreement. Grant PUD 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 Customer, such other entities, and Grant PUD.
- 4.1.2 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 Grant PUD's Interconnection Facilities.

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

5. Cost Responsibility for Network Upgrades

- 5.1 Applicability. No portion of this Section 5 shall apply unless the interconnection of the Small Generating Facility requires Network Upgrades.
- 5.2 Network Upgrades. Grant PUD or the Transmission Owner shall design, procure, construct, install, and own the Network Upgrades described in Attachment 6 of this Agreement. If Grant PUD and Customer agree, Customer may construct Network Upgrades that are located on land owned by Customer. Unless Grant PUD elects to pay for Network Upgrades, the actual cost of the Network Upgrades, including overheads, shall be borne initially by Customer.
 - 5.2.1 Repayment of Amounts Advanced for Network Upgrades. Customer shall be entitled to a repayment, equal to the total amount paid to Grant PUD (if any) without

interest, for the Network Upgrades, as payments are made to Grant PUD for the Non-Usage sensitive portion of payments made for transmission services with respect to the Small Generating Facility. Such repayment will occur by applying billing credits on Customer's bill for use of the Grant PUD Transmission System. Customer may assign such repayment rights to any person.

5.2.1.1 Notwithstanding the foregoing, Customer and Grant PUD may adopt any alternative payment schedule that is mutually agreeable so long as Grant PUD takes one of the following actions no later than five years after the Commercial Operation Date: (1) return to Customer any amounts advanced for Network Upgrades not previously repaid, or (2) declare in writing that Grant PUD will continue to provide payments to 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 20 years from the Commercial Operation Date.

5.2.1.2 If the Small Generating Facility fails to achieve Commercial Operation, and neither it nor any other Generating Facility is constructed and makes use of the Network Upgrades, any balance remaining for the amount paid by Customer for Network Upgrades shall be set to zero and thus be forfeited by Customer 20 years after the Effective Date of this Agreement.

5.3 Special Provisions for Affected Systems. Unless Grant PUD provides, under this Agreement, for the repayment to Customer of amounts advanced by Customer to any applicable Affected System Operators for Network Upgrades, either directly or through Grant PUD, Customer and Affected System Operator shall enter into a separate agreement that provides for such repayment. The agreement between Customer and Affected System Operator shall specify the terms governing payments to be made by Customer to Affected System Operator as well as the repayment by Affected System Operator. Grant PUD shall have no obligation to effectuate an agreement between Customer and 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 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 transmission credits for transmission service that is not associated with the Small Generating Facility.

6. Billing, Payment, Milestones, and Financial Security

6.1 Billing and Payment Procedures and Final Accounting

6.1.1 Grant PUD shall bill Customer for the design, engineering, construction, Use of Facilities Charge (UOF) per Attachment 5, procurement, and other applicable costs of Interconnection Facilities and Upgrades contemplated by this Agreement on a monthly basis, or as otherwise agreed by the Parties. Customer shall pay each bill within 30 calendar days of receipt, or as otherwise agreed to by the Parties. Interest

shall accrue on past due balances until paid in accordance with Grant PUD Customer Service Policy.

- 6.1.2 Within six months of completing the construction and installation of Grant PUD's Interconnection Facilities and/or Upgrades described in the Attachments to this Agreement, Grant PUD shall provide Customer with a final accounting report of any difference between (1) Customer's cost responsibility for the actual cost of such facilities or Upgrades, and (2) Customer's previous aggregate payments to Grant PUD for such facilities or Upgrades. If Customer's cost responsibility exceeds its previous aggregate payments, Grant PUD shall invoice Customer for the amount due and Customer shall make payment to Grant PUD within 30 calendar days. If Customer's previous aggregate payments exceed its cost responsibility under this Agreement, Grant PUD shall refund to Customer an amount, without interest, 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. The Parties will use Reasonable Efforts to meet the requirements of the milestones and will cooperate to amend Attachment 4 if necessary to accommodate changes. If a milestone related to payment from Customer to Grant PUD is not met, this may be considered a Default by Grant PUD.
- 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 Grant PUD's Interconnection Facilities and Upgrades, Customer shall provide Grant PUD, at Customer's option, a guarantee, letter of credit or other form of security that is reasonably acceptable to Grant PUD 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 Grant PUD's Interconnection Facilities and Upgrades and shall be reduced on a dollar-for-dollar basis for payments made to Grant PUD 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 Grant PUD, and contain terms and conditions that guarantee payment of any amount that may be due from Customer, up to an agreed-to maximum amount.
 - 6.3.2 The letter of credit must be issued by a financial institution or insurer reasonably acceptable to Grant PUD and must specify a reasonable expiration date.

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, provided that Customer promptly notifies Grant PUD of any such assignment;

- 7.1.2 Customer shall have the right to assign this Agreement, without the consent of Grant PUD, for collateral security purposes to aid in providing financing for the Small Generating Facility, provided that Customer will promptly notify Grant PUD of any such assignment.
- 7.1.3 Any attempted assignment that violates this section 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 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 Section 7.2.
- 7.3.2 To the extent provided by law, 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 indemnifying Party's action or failure to meet its obligations under this Agreement, 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 section as a result of a claim by a third party, and the indemnifying Party fails, after notice and reasonable opportunity to proceed under this section, 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 section, 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 section 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 section, 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, epidemic, pandemic, 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 General. 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 Section 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 Right to Terminate. If a Default is not cured as provided in this section, 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 section will survive termination of this Agreement.

- 7.6.3 Violation of Operating Assumptions for Generating Facilities. If Grant PUD requires Customer to memorialize the operating assumptions for the charging behavior of a Generating Facility that includes at least one electric storage resource in Attachment 7 of this Agreement, Grant PUD may consider Customer to be in Default of this Agreement if Customer fails to operate the Generating Facility in accordance with those operating assumptions for charging behavior. However, if Customer operates contrary to the operating assumptions for charging behavior specified in Attachment 7 of this Agreement at the direction of Grant PUD, Grant PUD shall not consider Customer in Default of this Agreement.

8. Insurance

- 8.1 Prior to the commencement of any work under this Agreement, and at all times during the term of this Agreement, Customer shall obtain and maintain continuously, at its own expense a policy, or policies of insurance with insurance companies rated A- VII or better by A.M. Best, as enumerated below. Any deductible, self-insured retention or coverage via captive \$25,000 or above must be disclosed and is subject to approval by Grant PUD's Risk Manager. The cost of any claim payments falling within the deductible or self-insured retention shall be the responsibility of Customer and not recoverable under any part of this Agreement.

Customer Required Insurance

1. **General Liability Insurance:** Commercial general liability insurance, covering all operations by or on behalf of Customer against claims for bodily injury (including death) and property damage (including loss of use). Such insurance shall provide coverage for:
 - a. Premises and operations;
 - b. Products and completed operations;
 - c. Contractual liability;
 - d. Personal injury liability (with deletion of the exclusion for liability assumed under Agreement);
 - e. Pollution liability (sudden and accidental) (or provided on a standalone basis);

with the following **minimum limits:**

 - \$1,000,000 each occurrence
 - \$1,000,000 personal injury liability
 - \$2,000,000 general aggregate
 - \$2,000,000 products and completed operations aggregate

Commercial general liability insurance will include Grant PUD as additional insured on a primary and non-contributory basis for ongoing and completed operations. A waiver of subrogation shall apply in favor of Grant PUD.

2. **Workers' Compensation and Stop Gap Employers Liability:** Workers' compensation insurance as required by law for all employees. Employer's liability insurance, including

occupational disease coverage, in the amount of **\$1,000,000 for each accident, each employee, and policy limit**. Customer expressly agrees to comply with all provisions of the workers' compensation laws of the states or countries where the work is being performed, including the provisions of Title 51 of the Revised Code of Washington for all work occurring in the state of Washington.

If there is an exposure of injury or illness under the U.S. Longshore and Harbor Workers (USL&H) Act, Jones Act, or under U.S. laws, regulations or statutes applicable to maritime employees, coverage shall be included for such injuries or claims. Such coverage shall include USL&H and/or maritime employer's liability (MEL).

3. **Automobile Liability Insurance:** Automobile liability insurance against claims of bodily injury (including death) and property damage (including loss of use) covering all owned, rented, leased, non-owned, and hired vehicles used in the performance of the work, with a **minimum combined single-limit of \$1,000,000 per occurrence** and containing appropriate uninsured motorist and No-Fault insurance provision, when applicable.

Automobile liability insurance will include Grant PUD as additional insured on a primary and non-contributory basis. A waiver of subrogation shall apply in favor of Grant PUD.

4. **If the Interconnection Request is greater than 5MW and no more than 20MW - Umbrella or Excess Liability Insurance:** Excess (or Umbrella) Liability Insurance with a **minimum limit of \$10,000,000 per occurrence and in the aggregate. This limit may be reached in combination with underlying policy limits.** This insurance shall provide coverage in excess of the underlying policy limits, terms, and conditions for each category of liability insurance in the foregoing subsections 1, 2 and 3. If this insurance is written on a claims-made policy form, then the policy shall be endorsed to include an automatic extended reporting period of at least five years.

Excess/umbrella liability insurance will include Grant PUD as additional insured on a primary and non-contributory basis. A waiver of subrogation shall apply in favor of Grant PUD.

If the Interconnection Request is greater than 500kW and no more than 5MW, the limit above may be reduced to \$5,000,000.

If the Interconnection Request is 500kW or less, the limit above may be reduced to \$2,000,000.

- 8.2 Evidence of Insurance - Within 10 days following execution of this Agreement, Customer shall file with Grant PUD a certificate of insurance showing the insuring companies, policy numbers, effective dates, limits of liability and deductibles with a copy of the endorsement naming Grant PUD as an additional insured for each policy where indicated in Section 8.1.

Failure of Grant PUD to demand such certificate or other evidence of compliance with these insurance requirements or failure of Grant PUD to identify a deficiency from the provided evidence shall not be construed as a waiver of Customer's obligation to maintain such insurance. Acceptance by Grant PUD of any certificate or other evidence of compliance does not constitute approval or agreement by Grant PUD that the insurance requirements have been met or that the policies shown in the certificates or other evidence are in compliance with the requirements.

Grant PUD shall have the right but not the obligation of prohibiting Customer or a subcontractor from entering the project site or prohibiting Customer from energizing and transmitting power onto Grant PUD's Transmission System until such certificates or other evidence of insurance

has been provided in full compliance with these requirements. If Customer fails to maintain insurance as set forth above, Grant PUD may purchase such insurance at Customer's expense. Customer's failure to maintain the required insurance may result in termination of this Contract at Grant PUD's option.

- 8.3 Subcontractors - Customer shall ensure that each subcontractor maintains insurance as commercially reasonable in accordance with the power generation industry and based on their scope of work. Upon request, Customer shall furnish Grant PUD with copies of certificates of insurance evidencing coverage for each subcontractor.
- 8.4 Cancellation of Insurance - Customer shall not cause any insurance policy to be canceled or permit any policy to lapse. Insurance companies or Customer shall provide 30 days advance written notice to Grant PUD for cancellation or any material change in coverage or condition, and 10 days advance written notice for cancellation due to non-payment. Should Customer receive any notice of cancellation or notice of nonrenewal from its insurer(s), Customer shall provide immediate notice to Grant PUD no later than two days following receipt of such notice from the insurer. Notice to Grant PUD shall be delivered by mail or email.

9. Confidentiality

- 9.1 Confidentiality. Confidential Information shall include, without limitation, all information designated as Critical Energy/Electric Infrastructure (CEII) Information, 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 an SGIA.

Information is Confidential Information only if it is clearly designated or marked in writing as confidential on the face of the document, or, if the information is conveyed orally or by inspection, if the Party providing the information orally informs the Party receiving the information that the information is confidential.

If requested by either Party, the other Party shall provide in writing, the basis for asserting that the information referred to in this Section 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.

Each Party agrees that it will not disclose to third parties (except as expressly set forth herein), without the written consent of the other Party, any information developed or obtained in connection with the performance of this Agreement, and, if requested by the other Party, to require its employees and subcontractors, if any, to execute a non-disclosure agreement prior to performing any services under this Agreement.

If either Party is subject to the Washington Public Records Act, Chapter 42.56 RCW ("PRA"), and a disclosure of Confidential Information is required to be made by pursuant to the PRA, such disclosure shall not be deemed a violation of this Section 9, provided that the Party receiving the request has, so far as it is lawful and practical to do so prior to such disclosure: (a) promptly notified the other Party in writing of such, request, order, or requirement; (b) provided a reasonable opportunity for the other Party to seek an appropriate protective order; and (c) cooperated with other Party to narrow the scope of such disclosure to only that portion of the Confidential Information that is necessary to fulfill the request.

- 9.1.1 Term. During the term of this Agreement, and for a period of three (3) years after the expiration or termination of this Agreement, except as otherwise provided in this Section 9, each Party shall hold in confidence and shall not disclose to any person Confidential Information.
- 9.1.2 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 Agreement; or (6) is required, in accordance with Section 9.1.7 of this Agreement, Order of Disclosure, to be disclosed by any Governmental Authority or is otherwise required to be disclosed by law or subpoena, or is necessary in any legal proceeding establishing rights and obligations under this Agreement. Information designated as Confidential Information will no longer be deemed confidential if the Party that designated the information as confidential notifies the other Party that it no longer is confidential.
- 9.1.3 Release of Confidential Information. Neither Party shall release or disclose Confidential Information to any other person, except to its Affiliates, subcontractors, employees, consultants, or to parties who may be or considering providing financing to or equity participation with Customer, or to potential purchasers or assignees of Customer, on a need-to-know basis in connection with this Agreement, unless such person has first been advised of the confidentiality provisions of this Section 9 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 Section 9.
- 9.1.4 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.
- 9.1.5 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.
- 9.1.6 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 Agreement or its regulatory requirements.

- 9.1.7 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 use reasonable efforts to provide the other Party with notice of such request(s) or requirement(s) so that the other Party may seek an appropriate protective order or waive compliance with the terms of this Agreement. Notwithstanding the absence of a protective order or waiver, the Party may disclose such Confidential Information 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.
- 9.1.8 Remedies. The Parties agree that monetary damages would be inadequate to compensate a Party for the other Party's Breach of its obligations under this Section 9.1. Each Party accordingly agrees that the other Party shall be entitled to equitable relief, by way of injunction or otherwise, if the first Party Breaches or threatens to Breach its obligations under this Section 9.1, which equitable relief shall be granted without bond or proof of damages, and the receiving Party shall not plead in defense that there would be an adequate remedy at law. Such remedy shall be deemed an exclusive remedy for the Breach of this Section 9.1. The Parties further acknowledge and agree that the covenants contained herein are necessary for the protection of legitimate business interests and are reasonable in scope. No Party, however, shall be liable for indirect, incidental, or consequential or punitive damages of any nature or kind resulting from or arising in connection with this Section 9.1.
- 9.1.9 Termination of Agreement. Upon termination of this Agreement for any reason, each Party shall, within 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. Notwithstanding the foregoing, a receiving Party may retain one copy of Confidential Information to the extent (i) necessary to comply with applicable law or bona fide document retention policies or (ii) backed up on relevant servers or electronic devices, provided that any Confidential Information so retained shall remain subject to the confidentiality obligations hereof.
- 9.1.10 Disclosure to FERC, its Staff, or a State. Notwithstanding anything in this Section 9 to the contrary, and pursuant to 18 C.F.R § 1b.20, if FERC or its staff, during the course of an investigation or otherwise, requests information from one of the Parties that is otherwise required to be maintained in confidence pursuant to this Agreement, the Party shall provide the requested information to FERC or its staff, within the time provided for in the request for information. In providing the information to FERC or its staff, the Party must, consistent with 18 C.F.R § 388.112, request that the information be treated as confidential and non-public by FERC and its staff and that the information be withheld from public disclosure. Parties are prohibited from notifying the other Party to this Agreement prior to the release of the Confidential Information to FERC or its staff. The Party shall notify the other Party when it is notified by FERC or its staff that a request to release Confidential Information has been received by FERC, at which time either of the Parties may

respond before such information would be made public, pursuant to 18 C.F.R § 388.112. Requests from a state regulatory body conducting a confidential investigation shall be treated in a similar manner if consistent with the applicable state rules and regulations.

- 9.1.11 Subject to the exception in Section 9.1.10, any information that a Party claims is competitively sensitive, commercial or financial information under this Agreement ("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 Agreement or as a transmission provider or a Balancing Authority Area operator including disclosing the Confidential Information to an RTO or ISO or to a regional or national reliability organization. The Party asserting confidentiality shall notify the other Party in writing of the information it claims is confidential. Prior to any disclosures of the other Party's Confidential Information under this subparagraph, or if any third party or Governmental Authority makes any request or demand for any of the information described in this subparagraph, the disclosing Party agrees to promptly notify the other Party in writing and agrees to assert confidentiality and cooperate with the other Party in seeking to protect the Confidential Information from public disclosure by confidentiality agreement, protective order or other reasonable measures.

10. Disputes

- 10.1 Submission. In the event either Party has a dispute, or asserts a claim, that arises out of or in connection with this Agreement or its performance, such Party 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 30 Calendar Days of the other Party's receipt of the Notice of Dispute, such claim or dispute may, upon mutual agreement of the Parties, be submitted to arbitration and resolved in accordance with the arbitration procedures set forth below. In the event the Parties do not agree to submit such claim or dispute to arbitration, each Party may exercise whatever rights and remedies it may have in equity or at law consistent with the terms of this Agreement.
- 10.2 External Arbitration Procedures. Any arbitration initiated under this Agreement shall be conducted before a single neutral arbitrator appointed by the Parties. If the Parties fail to agree upon a single arbitrator within 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 20 Calendar Days select a third arbitrator to chair the arbitration panel. In either case, the arbitrators shall be knowledgeable in electric utility matters, including electric transmission and bulk power issues, and shall not have any current or past substantial business or financial relationships with any party to the arbitration (except prior arbitration). The arbitrator(s) shall provide each of the Parties an opportunity to be heard and, except as otherwise provided herein, shall conduct the arbitration in accordance with the Commercial Arbitration Rules of the American Arbitration Association ("Arbitration Rules")

and any applicable FERC regulations or RTO rules; provided, however, in the event of a conflict between the Arbitration Rules and the terms of this Section 10, the terms of this Section 10 shall prevail.

- 10.3 **Arbitration Decisions.** Unless otherwise agreed by the Parties, the arbitrator(s) shall render a decision within 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 Agreement 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 will also be filed with FERC, if applicable.
- 10.4 **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.

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 Grant PUD's tax-exempt status with respect to the issuance of bonds including, but not limited to, local furnishing bonds.

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 Washington, 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 **Conflicts.** In the event of a conflict between the body of this Agreement and any attachments, appendices or exhibits hereto, the terms and provisions of the body of this Agreement shall prevail and be deemed the final intent of the Parties.
- 12.5 **Waiver**

- 12.5.1 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.
- 12.5.2 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 Customer shall not constitute a waiver of Customer's legal rights to obtain an interconnection from Grant PUD. Any waiver of this Agreement shall, if requested, be provided in writing.
- 12.6 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.
- 12.7 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.
- 12.8 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.
- 12.9 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.
- 12.10 Security Arrangements. Customer is expected to follow best practices with respect to electric industry reliability and security and will comply with all Applicable Reliability Standards.
- 12.11 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.
- 12.12 Subcontractors. 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.

- 12.12.1 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 Grant PUD be liable for the actions or inactions of Customer or its subcontractors with respect to obligations of 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.
- 12.12.2 The obligations under this section will not be limited in any way by any limitation of subcontractor's insurance.

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:

Grant PUD	Customer
Public Utility District No. 2 of Grant County, Washington Attn: Transmission Services Manager PO Box 878 Ephrata, WA 98823	Company Name Attn: Address Address
With a copy to:	With a copy to:
Public Utility District No. 2 of Grant County, Washington Attn: General Counsel PO Box 878 Ephrata, WA 98823	Company Name Attn: Address Address

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

If to Customer for Billing:	If to Grant PUD for Payments:
Company Name Attn: Address Address	Public Utility District No. 2 of Grant County, Washington Attn: RemittanceGroup@gcpud.org PO Box 878 Ephrata, WA 98823

- 13.2 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 or e-mail to the telephone numbers and e-mail addresses set out below:

If to Grant PUD	If to Customer
Transmission Services Manager (509) 754-7691 transmissionservices@gcpud.org General Counsel (509) 754-5088 Legal@gcpud.org	Role Phone No. Email Role Phone No. Email

- 13.3 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.

Customer's Operating Representative:

Company Name
 Attn:
 Address
 Address
 Phone
 Email

Grant PUD's Operating Representative:

Attn: Sr. Manager of System Operations
 (509) 754-5694

- 13.4 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.

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

Public Utility District No. 2
 of Grant County, Washington

Full legal name of Customer

By: _____

By: _____

Name: _____

Name: _____

Title: _____

Title: _____

Date: _____

Date: _____

Attachment 1 – Glossary of Terms

When used in this Agreement with initial capitalization, whether in the singular or plural, the following terms shall have the meanings specified in this Section 1. Certain other terms are defined where they first appear throughout the body of this Agreement. A capitalized term that is not defined in this Agreement shall be defined by the Tariff, the SGIP or NERC, if such definition exists.

Affected System – An electric system other than Grant PUD'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.

Applicable Reliability Standards - The requirements and guidelines of the Electric Reliability Organization, the Regional Reliability Organization (currently WECC), and the Balancing Authority Area of the Transmission System to which the Small Generating Facility is directly interconnected.

Balancing Authority - An entity that integrates resource plans ahead of time, maintains demand and resource balance within a Balancing Authority Area, and supports interconnection frequency in real time.

Balancing Authority Area - The collection of generation, transmission, and loads within the metered boundaries of the Balancing Authority. The Balancing Authority maintains load-resource balance within this area.

Business Day – The days Monday through Friday, excluding NERC holidays, Presidents Day, Veterans Day, Martin Luther King Jr. Day, Juneteenth, and Native American Heritage Day.

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

Distribution System – Grant PUD'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 Grant PUD'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 Customer's wholesale sale of electricity in interstate commerce. Distribution Upgrades do not include Interconnection Facilities.

Electric Reliability Organization - The North American Electric Reliability Corporation or its successor organization.

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 Customer, Grant PUD, or any Affiliate thereof.

Interconnection Facilities – Grant PUD's Interconnection Facilities and the 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 Grant PUD's Transmission System. Interconnection Facilities are sole use facilities and shall not include Distribution Upgrades or Network Upgrades.

Interconnection Request – Customer's request 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 Grant PUD's Transmission System.

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

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

Non-Usage – Non-Usage refers to charges that do not depend on actual output of energy by the facility. For instance, a firm reservation charge that is paid regardless of whether any generation occurred is a Non-Usage based charge. Charges that depend on a measurement of energy or demand do not qualify as Non-Usage charges.

Operating Requirements – Any operating and technical requirements that may be applicable due to Regional Transmission Organization, Independent System Operator, *Balancing Authority Area*, or Grant PUD's requirements, including those set forth in the Small Generator Interconnection Agreement.

Point of Interconnection – The point where the Interconnection Facilities connect with Grant PUD'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 – Customer's device for the production and/or storage for later injection of electricity identified in the Interconnection Request, but shall not include Customer's Interconnection Facilities.

Tariff – The Grant PUD Open Access Transmission Tariff as approved by the Grant PUD Board of Commissioners, or any agreement executed between Customer and Grant PUD governing transmission

service and interconnection service prior to the Grant PUD Board of Commissioners' approval of an Open Access Transmission 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 System – The facilities owned, controlled or operated by Grant PUD or the Transmission Owner that are used to provide transmission service.

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

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 Customer, Grant PUD, or the Transmission Owner. Grant PUD 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, including the portion of any such estimated costs to be paid by Customer. Costs for land acquisition, environmental compliance, and cultural compliance will also be estimated to the extent possible.

Attachment 3 – One-Line Diagram Depicting the Small Generating Facility, Interconnection Facilities, Metering Equipment, and Upgrades

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Attachment 4 - Milestones

Estimated In-Service Date: _____

The total estimated cost for the design, procurement, construction, and installation of Grant PUD's Interconnection Facilities is \$ ____*. This amount shall be used by the Customer to provide financial security in accordance with Section 6.3.

* __% of the total estimated cost is Direct Assigned and __% of the total estimated cost is Network Upgrades. Transmission Credits per Section 5.2.1 will be based on final actual costs for Network Upgrades based on the percentage of costs assigned to Network Upgrades.

As of the Effective Date of this Agreement, Customer intends to have _____ serve as their Balancing Authority (BA).

The following table is an example only and will vary by project.

Milestone No.	Description	Estimated Timeline
1	Customer executes the Interconnection Agreement w/ 20% deposit	Start
2	Long lead item procurement	12 Months after Start
3	Engineering Design starts	3 Months prior to Milestone #2 completion
4	Customer supplies financial security per Section 6.3	20 Days prior to Milestone #3 completion
5	Engineering complete	3 Months after Milestone #2 completion
6	Material acquisition start	1 Week after Milestone #5 completion
7	Grant PUD commences construction of Grant PUD's Interconnection Facilities.	Target Date DD/MM/YY
8	Grant PUD completes construction (including commissioning activity) of Grant PUD's Interconnection Facilities.	Target Date DD/MM/YY
9	In-Service Date	Upon completion of all previous Milestones

Attachment 5 - Interconnection Details**1. Description of Generating Facility****2. Use of Facilities Charge (UOF)**

Grant PUD will develop a UOF that applies to the Grant PUD facilities that are solely dedicated to serving the Generating Facility. This UOF will be included in this Attachment 5. Grant PUD may update the UOF at any time after 60 days' notice provided to Customer.

Grant PUD will invoice Customer monthly for the UOF.

3. Service Provided to Customer when Generating Facility is Offline

Customer shall make all appropriate arrangements to take delivery of any power required for the Generating Facility that is not self-provided. Any power that flows to Customer at the Point of Interconnection for auxiliary loads shall be accounted for under a separate retail service arrangement between Grant PUD and Customer. No power flowing to Customer at the Point of Interconnection may be netted against power flowing to Grant PUD at any time other than that of the delivery to the Customer. At Grant's discretion and for practical reasons, Grant may choose to allow Customer to net retail sales against Customer's power production. Power supplied to a storage device will be provided according to the terms of the applicable Grant PUD business practice and applicable rate schedules.

4. Station Service

Station service will be obtained by Customer separate from this Agreement and when provided by Grant PUD will be governed by Grant PUD customer service policies for retail service.

5. Requirements that must be met by Customer prior to initiating parallel operation with Grant PUD's Transmission System**6. Control Technologies and Protection Systems****7. Metering Requirements**

Attachment 6 – Grant PUD's Description of its Upgrades and Best Estimate of Upgrade Costs

Grant PUD 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, including Customer's share of such estimated costs. Grant PUD shall functionalize Upgrade costs and annual expenses as either transmission or distribution related.

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Attachment 7 - Generating Facility Data and Performance Requirements

{Section 1.1 below only applies to a solar generation plant and will be modified for other types of generation as appropriate}

1. Variable Energy Resource and forced usage data per Section 1.6

1.1 **Real Time Data:** If requested by Grant PUD, Customer will supply the following Real Time Data to Grant PUD. This list of data will be updated as needed per Section 8.4.

- Solar irradiance in the front-side plane-of-array (POA) (W/m²)
- Solar irradiance in the back-side plane-of-array (POA) (W/m²)
- Solar irradiance in the horizontal plane (GHI) (W/m²)
- Wind speed (m/s) and direction (°)
- Ambient air temperature (°C)
- Back of Module temperature (°C)
- Precipitation (mm)
- Barometric Pressure (hPa)
- Relative Humidity (%)
- For cold climates or as required by Owner, snow depth sensor (cm)
- Diffuse Horizontal Irradiance (DHI) (W/m²)
- Albedometer (%)
- Plant DC generation (MW)
- Plant AC generation (MW and MVar)
- Plant online status (indicating if plant is online)
- State of charge of energy storage (percentage)

1.2 **Generation Forecast:** If Requested by Grant PUD, Customer will supply Grant PUD with a forecast of generation, including the charging and discharging of storage resources for the Generating Facility with an hourly time stamp for the proceeding 168 hours. This forecast will be updated on an hourly basis.

1.3 **Forced Outage Data:** Customer will supply data to Grant PUD with Customer's best estimate for forced outages as requested by Grant PUD for the Generation Facility. This data will be updated no more than annually if requested by Grant PUD.

1.4 **Planned Outage Data:** Customer will supply data to Grant PUD with Customer's best estimate for planned outages as requested by Grant PUD for the Generation Facility on an annual basis. This data will be updated and supplied to Grant PUD when there are changes to the most recent annual submittal.

2. Operating requirements per Section 1.6. Additional requirements may be specified in the Agreement.

2.1 All NERC Reliability Standards, requirements and guidelines that apply to Customer based on Customer's functional entity registrations and facilities.

2.2 Applicable Grant PUD documents and standards

- Switching and Clearance Procedures
- System Restoration Plan
- Grant PUD Interconnection Technical Requirements
- Any additional outage request timelines as implemented by Grant PUD

2.3 NERC standards and associated guidelines governing IBRs

2.4 Emergency Condition procedures of the applicable Reliability Coordinator, ISO/RTO, the Electric Reliability Organization, Applicable Laws and Regulations, and any other applicable authority.

3. Other Data to be Supplied by Customer per Section 1.6

Operational and design data regarding the Generating Facility that Grant PUD is required to provide to FERC, NERC, WECC, or other governing authorities.

4. Battery storage operating range to allow for frequency response per Section 1.8.4.4

Minimum state of charge: xx%

Maximum state of charge: xx%

<Additional information per Section 1.8.4.4>

ATTACHMENT P - Tariff Revision History

Revision	Date	Description
1	XX/XX/2026	Initial version of tariff

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