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Mayor

Commission
LEE KANON ALPERT, *President*
THOMAS S. SAYLES, *Vice-President*
ERIC HOLOMAN
JONATHAN PARFREY
BARBARA E. MOSCHOS, *Secretary*

AUSTIN BEUTNER
General Manager
RAMAN RAJ
Chief Operating Officer

August 5, 2010

The Honorable City Council
City of Los Angeles
Room 395, City Hall
Los Angeles, California 90012

Honorable Members:

Subject: Generator Interconnection Agreement No. BP 10-012 with Intermountain Power Agency

Pursuant to Charter Section 674(a)(1)(A), enclosed for approval by your Honorable Body is Resolution No. 011-037, adopted by the Board of Water and Power Commissioners (Board) on August 3, 2010, approved as to form and legality by the City Attorney, which authorizes execution of Generator Interconnection Agreement No. BP 10-012 with Intermountain Power Agency for Interconnection of Adelanto Solar Project 1. The interconnection will enable LADWP to bring the Project's power to LADWP's transmission system through its Intermountain Power Agency Adelanto Converter Station. As directed by the Board, transmitted to you are supporting documents.

If there are any questions regarding this item, please contact Ms. Winifred Yancy, Manager – Government and Neighborhood Relations, at (213) 367-0025, or Mr. Aram Benyamin at (213) 367-4435.

Sincerely,

Barbara E. Moschos
Board Secretary

BEM:oja

Enclosures: LADWP Resolution
Board Letter
Generator Interconnection Agreement No. BP 10-012

(Ordinance transmitted under separate cover)

Water and Power Conservation ... a way of life

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c/enc: Mayor Antonio Villaraigosa
Councilmember Jan C. Perry, Chair, Energy and the Environment Committee
Mr. Gerry F. Miller, Chief Legislative Analyst
Mr. Miguel A. Santana, City Administrative Officer
Mr. Rafael Prieto, Legislative Analyst
Mr. William R. Koenig, Chief Administrative Analyst
Ms. Winifred Yancy
Mr. Aram Benyamin

RESOLUTION NO. 011 037

WHEREAS, Adelanto Converter Station is the southern terminus of the Southern Transmission System which is a 500 kilovolt (kV) DC transmission line that begins at the Intermountain Power Project in Delta, Utah, and ends at the Adelanto Converter Station in Adelanto, California; and

WHEREAS, the Adelanto Converter Station is owned by the Intermountain Power Agency (IPA); and

WHEREAS, Adelanto Solar Project 1 (Project) is a 10 megawatt photovoltaic system that is part of the Renewable Portfolio Standard of the Los Angeles Department of Water and Power (LADWP) goals to have 20 percent renewable energy by 2010 and 35 percent by 2020; and

WHEREAS, in order for LADWP to receive the power produced from the Project, LADWP desires to interconnect its Project to IPA's 4.16 kV Station Service Bus (Point of Interconnection) at the Adelanto Converter Station; and

WHEREAS, the interconnection will enable LADWP to receive power from the Point of Interconnection to its system via LADWP's Adelanto Switching Station, which is adjacent and connected to the Adelanto Converter Station.

NOW, THEREFORE, BE IT RESOLVED that Agreement No. BP 10-012 (Agreement), a copy now on file with the Secretary of the Board of Water and Power Commissioners (Board) and approved as to form and legality by the City Attorney, is hereby approved in substantial form.

BE IT FURTHER RESOLVED that the Board requests that the City Council approve, by ordinance, the Agreement.

BE IT FURTHER RESOLVED that the Chief Accounting Employee of LADWP, upon proper certification, is authorized and directed to draw demands on the Power Revenue Fund, in payment of the obligations arising under said Agreement.

BE IT FURTHER RESOLVED that the President or Vice President of the Board, or the General Manager, or such person as the General Manager shall designate in writing, and the Secretary, Assistant Secretary, or the Acting Secretary of the Board be and they are hereby authorized and directed to execute said Agreement for and on behalf of LADWP subject to final review and approval by the City Attorney as to form and legality, upon approval by the City Council by ordinance pursuant to §§101 and 674(a) of the City Charter.



BE IT FURTHER RESOLVED that the General Manager is authorized to execute a Memorandum of said Agreement containing all information necessary to allow the Memorandum to be recorded with the San Bernardino County Recorder's office.

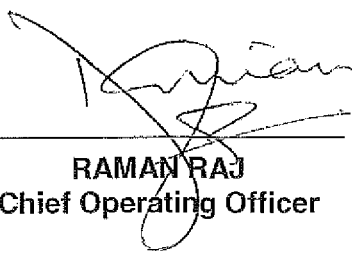


I HEREBY CERTIFY that the foregoing is a full, true, and correct copy of a resolution adopted by the Board of Water and Power Commissioners of the City of Los Angeles at its meeting held AUG 03 2010

Barbara E. Masday
Secretary

APPROVED AS TO FORM AND LEGALITY
CARMEN A. TRUTANICH, CITY ATTORNEY

JUL 30 2010
BY Priscila E. Castillo
PRISCILA E. CASTILLO
DEPUTY CITY ATTORNEY

LADWP BOARD APPROVAL LETTER

TO: BOARD OF WATER AND POWER COMMISSIONERS	DATE: July 28, 2010
<div style="display: flex; justify-content: space-around;"><div style="text-align: center;"> _____ RAMANI RAJ Chief Operating Officer</div><div style="text-align: center;"> _____ AUSTIN BEUTNER General Manager</div></div> <div style="text-align: center;"> _____ ARAM BENYAMIN Senior Assistant General Manager-Power System</div>	SUBJECT: Generator Interconnection Agreement No. BP 10-012 Between the Los Angeles Department of Water and Power and Intermountain Power Agency (IPA) for Interconnection of Adelanto Solar Project 1
	FOR COMMISSION OFFICE USE: RESOLUTION NO. _____
CITY COUNCIL APPROVAL REQUIRED: Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> Waived <input type="checkbox"/>	IF YES, BY WHICH CITY CHARTER SECTION: 674(a)(1)(A)

PURPOSE

Transmitted for approval by your Honorable Board is a Resolution, approved as to form and legality, authorizing a Generator Interconnection Agreement, BP10-012 (Agreement), between the City of Los Angeles acting by and through the Department of Water and Power (LADWP) and the Intermountain Power Agency (IPA), and recommending the Los Angeles City Council approve the Agreement by ordinance.

BACKGROUND

Adelanto Converter Station is the southern terminus of the Southern Transmission System, which is a 500 kilovolt (kV) DC Transmission Line that begins from the Intermountain Power Project in Delta, Utah, and ends at the Adelanto Converter Station in Adelanto, California. Adelanto Converter Station is owned by IPA. LADWP is the Operating Agent, on behalf of IPA, for the station.

The Adelanto Solar Project 1 (Project) is a 10 megawatt photovoltaic system that is part of LADWP's Renewable Portfolio Standard goals to have 20 percent renewable energy by 2010 and 35 percent by 2020.

The point of interconnection for this Project will be at the 4.16 kV bus of the station service transformer at the Adelanto Converter Station.

The interconnection will enable LADWP to bring the Project's power to LADWP's transmission system through its Adelanto Switching Station which is adjacent to the Adelanto Converter Station and is owned and operated by LADWP.

Per Charter Section 674 (a)(1)(A), Los Angeles City Council approval is required. Accordingly, an Executive Directive No. 4 waiver was granted by the Mayor's Office on July 14, 2010.

COST AND DURATION

The costs associated with this Agreement will be \$552,000. These costs will not be incurred until the Board approves a future agreement for materials and services.

LADWP may terminate the Agreement at any time by giving IPA 20 business days' advance written notice. The non-defaulting party may terminate the Agreement after a default. The Agreement may also be terminated upon 6 months' notice from IPA if, after June 15, 2027, IPA, or any successor in interest of IPA, does not own and operate the Southern Transmission System.

CONFLICT OF INTEREST STATEMENT

All conflict of interest procedures were followed. No conflict of interest issues were identified.

RECOMMENDATION

It is requested that your Honorable Board adopt the attached Resolution authorizing the Agreement and recommending the Los Angeles City Council's approval of the Agreement by ordinance.

ml

Attachments

e-c/att: Austin Beutner

Raman Raj

Richard M. Brown

Aram Benyamin

James B. McDaniel

Cecilia K.T. Weldon

Lorraine A. Paskett

Mark Lieberman

Marvin Moon

Jack Waizenegger

Ali Morabbi

Francisco Fernandez

Thomas Honles

Mario C. Ignacio

MS Maria Sison-Roces
John R. Dennis
Mohammed Beshir

GENERATOR INTERCONNECTION AGREEMENT

Between

INTERMOUNTAIN POWER AGENCY

And

LOS ANGELES DEPARTMENT OF WATER AND POWER

For

ADELANTO SOLAR PROJECT 1

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GENERATOR INTERCONNECTION AGREEMENT

This Generation Interconnection Agreement (“**Agreement**”) is made and entered into as of the Effective Date, by the Intermountain Power Agency, a political subdivision of the State of Utah (“**IPA**”), and the City of Los Angeles acting by and through the Department of Water and Power, a department organized and existing under the Charter of the City of Los Angeles, a municipal corporation of the State of California (“**LADWP**,” hereinafter referred to in its customer role as “**Interconnection Customer**”). IPA and the Interconnection Customer may each hereinafter sometimes be referred to individually as “**Party**,” or both referred to collectively as the “**Parties**.”

WHEREAS, IPA owns and operates the Intermountain Power Project (“**IPP**”), including the Southern Transmission System (“**STS**”) for the generation and transmission of electric power and energy; and

WHEREAS, the Adelanto Converter Station (“**Adelanto Converter Station**”), located at 16800 Aster Road, Adelanto, California, is a part of the IPP; and

WHEREAS, the Interconnection Customer desires to build, own and operate the Generating Station, which is a solar photovoltaic direct current generator with a 10 MW maximum gross output of electric power, presently scheduled to commence commercial operation on or before April 1, 2011; and

WHEREAS, the Interconnection Customer desires to interconnect its Generating Station with the Adelanto Converter Station.

NOW THEREFORE, in consideration of the mutual covenants and agreements contained herein, the Parties undertake and agree as follows:

When used in this Agreement, terms with initial capitalization that are not defined in Article 1 shall have the meanings specified in the Article in which they are used.

ARTICLE 1 DEFINITIONS

1.1 “**Adelanto Converter Station**” shall have the meaning set forth in the Recitals.

1.2 “**Adelanto Upgrades**” shall mean all upgrades to the Adelanto Converter Station that the Interconnection Customer, with the consent of IPA, deems necessary, consistent with Good Utility Practice, to interconnect the Generating Station to the Adelanto Converter Station, including those specified in **Attachment 1** and **Attachment 2**.

1.3 “**Affected Party**” shall have the meaning set forth in Section 7.4.2.

1.4 “**Agreement**” shall have the meaning set forth in the Preamble.

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

1.6 “**Business Day**” shall mean any calendar day that is not a Saturday, a Sunday, or a day on which commercial banks are authorized or required to be closed in Los Angeles, California or New York, New York.

1.7 “**CEQA**” shall mean the California Environmental Quality Act, PUB. RES. § 21000 et seq.

1.8 “**Customer Interconnection Facilities**” shall mean, individually or collectively, any or all facilities and equipment (except for the Adelanto Upgrades) necessary to physically and electrically interconnect the Generating Station to the Adelanto Converter Station at the Point of Interconnection, including those specified in **Attachment 1** and **Attachment 2**, including any modifications, additions, or upgrades to the same. For the avoidance of doubt, the Customer Interconnection Facilities do not include the Generating Station.

1.9 “**Default**” shall mean the failure of a breaching Party to cure its breach under this Agreement.

1.10 “**Effective Date**” shall have the meaning set forth in Section 4.1.

1.11 “**Emergency Condition**” shall mean a condition or situation that (1) in the judgment of the Party making the claim is imminently likely to endanger life or property; or (2) in the case of IPA, is imminently likely (as determined in a non-discriminatory manner) to cause a material adverse effect on the security of, or damage to, the STS or the electric systems of IPP or others to which the STS is directly connected; or (3) in the case of the Interconnection Customer, is imminently likely to cause a material adverse effect on the security of, or damage to, the Generating Station or the Interconnection Customer’s Interconnection Facilities. System restoration and black start shall be considered Emergency Conditions; provided, however, that the Interconnection Customer is not obligated by this Agreement to possess black start capability.

1.12 “**Force Majeure**” shall mean a proximate cause beyond the control of, and without the intentional wrongdoing, fault, or negligence of, the Party claiming Force Majeure, including, without limitation, (a) the operation and effect of any final and binding rule, regulation, order, injunction, judgment or similar decree promulgated by any court, commission, municipality, or governmental agency of the United States, or subdivision thereof; (b) war; (c) flood; (d) earthquake; (e) act of God; (f) sabotage; or (g) strikes or boycotts.

1.13 “**Generating Station**” shall mean the Interconnection Customer’s solar photovoltaic direct current generator, with a maximum electric power output of 10 MW (alternating current) at 44 degrees C summer, and -17 degrees C winter, connected to a direct current to alternating current inverter, and then to the 4.16 kV bus of the Adelanto Converter Station; the Generating Station includes all necessary relay protection, remote monitoring and

control, switches, and circuit breakers, but shall not include the Customer Interconnection Facilities or the Adelanto Upgrades.

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

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

1.16 “**In-Service Date**” shall mean April 1, 2011.

1.17 “**Interconnection Customer**” shall have the meaning set forth in the Preamble.

1.18 “**Interconnection Drawings**” shall have the meaning set forth in Section 5.2.1.

1.19 “**Interest**” shall mean an interest rate equal to the lesser of (i) two hundred (200) basis points above the per annum Prime Rate reported daily in *The Wall Street Journal*, or (ii) the maximum rate permitted by the Applicable Laws and Regulations.

1.20 “**IPA**” shall have the meaning set forth in the Preamble.

1.21 “**IPP**” shall have the meaning set forth in the Recitals.

1.22 “**IPP Operating Agent Agreement**” shall have the meaning set forth in Section 2.4.1.

1.23 “**Los Angeles Department of Water and Power**” or “**LADWP**” shall have the meaning set forth in the Preamble.

1.24 “**NERC**” shall mean the North American Electric Reliability Corporation or its successor organization.

1.25 “**NERC Requirements**” shall have the meaning set forth in Section 10.7.

1.26 “**Notice of Dispute**” shall have the meaning set forth in Section 9.1.

1.27 “**Operating Requirements**” shall have the meaning set forth in Section 3.2.2.

1.28 "Party" or "Parties" shall have the meaning set forth in the Preamble.

1.29 "Person" shall mean any individual, corporation, partnership, joint venture, limited liability company, association, joint stock company, trust, unincorporated organization, entity, government or other political subdivision.

1.30 "Point of Interconnection" shall mean the 4.16 kV bus side of the station service transformer located inside the Adelanto Converter Station, as further described in Attachment 2.

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

1.32 "STS" shall have the meaning set forth in the Recitals.

ARTICLE 2 SCOPE AND LIMITATIONS

2.1 This Agreement governs the terms and conditions under which the Interconnection Customer's Generating Station will interconnect with, and operate in parallel with, the IPP's Adelanto Converter Station.

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

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

2.4 Responsibilities of the Parties.

2.4.1 The Parties shall, themselves or through subcontractors, perform all obligations of this Agreement, including without limitation those obligations in this Section 2.4, in accordance with all Applicable Laws and Regulations, Good Utility Practice, and this Agreement, including without limitation all Operating Requirements. Pursuant to that certain IPP Construction Management and Operating Agreement currently in effect between IPA and LADWP ("IPP Operating Agent Agreement"), LADWP acts as operating agent for the IPP, and, to the extent required by such agreement, performs certain functions for IPA.

2.4.2 The Interconnection Customer shall, at its sole cost and expense, design, construct, install, operate, maintain, and own the Customer Interconnection Facilities, and shall, at its sole cost and expense, design, construct and install (but not own, operate, maintain or replace) the Adelanto Upgrades. IPA shall own, operate, maintain and replace the Adelanto Upgrades. The Interconnection Customer shall reimburse IPA for all actual costs associated with IPA's operation, maintenance, and replacement of the Adelanto Upgrades.

(a) Maintenance of the Customer Interconnection Facilities, the Adelanto Converter Station, and the Adelanto Upgrades shall be conducted in accordance with the applicable manufacturer's recommended maintenance schedule.

(b) Consistent with Good Utility Practice, each Party shall maintain, operate, and replace the facilities for which it is responsible so as to reasonably minimize the likelihood of a disturbance adversely affecting or impairing the system or equipment of the other Party.

(c) Consistent with Good Utility Practice, the facilities for which each Party is responsible shall adequately protect the other Party's systems and personnel, and other persons from damage and injury.

2.4.3 The Interconnection Customer shall design, construct, interconnect, operate, maintain and own the Generating Station.

(a) Maintenance of the Generating Station shall be conducted in accordance with the applicable manufacturer's recommended maintenance schedule, Good Utility Practice, and this Agreement.

(b) The Interconnection Customer agrees to design, construct, maintain, and operate its Generating Station so as to reasonably minimize the likelihood of a disturbance adversely affecting or impairing the system or equipment of the IPP.

2.4.4 Each Party shall operate, maintain, and replace 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, Institute of Electrical and Electronics Engineers, Underwriter's Laboratory, and Operating Requirements in effect at the time of construction and other applicable national and state codes and standards.

2.4.5 Each Party shall be responsible for the safe operation, maintenance, and replacement of their respective lines and appurtenances on their respective sides of the point of change of ownership, as described in **Attachment 2**.

2.5 **Parallel Operation Obligations.** Once the Generating Station has been authorized to commence parallel operation, each Party shall abide by the Operating Requirements, as specified in **Attachment 3**.

2.6 **Metering.**

2.6.1 The Interconnection Customer shall be responsible for the purchase, installation, operation, maintenance, testing, repair, and replacement of metering and data acquisition equipment as specified in **Attachment 1**.

2.6.2 All metering (and data acquisition, as required) equipment shall conform to applicable industry rules and the Operating Requirements.

2.6.3 The Interconnection Customer shall be responsible for any commercially reasonable and necessary costs incurred by IPA for the purchase, installation, operation, maintenance, testing, repair, and replacement of metering and data acquisition equipment as specified in **Attachment 1**.

2.7 **Reactive Power.** The Interconnection Customer shall design its Generating Station to maintain a composite power delivery at continuous rated power output at the Point of Interconnection at a power factor of unity, within the range of .95 leading to .95 lagging, unless IPA has established different requirements that apply to all similarly situated generators in the control area on a comparable basis.

ARTICLE 3 INSPECTION, TESTING, AND AUTHORIZATION

3.1 Equipment Testing and Inspection.

3.1.1 The Interconnection Customer shall test and inspect its Generating Station and Customer Interconnection Facilities prior to interconnection. The Interconnection Customer shall notify IPA of such activities no fewer than five (5) 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. IPA may, at its own expense, send qualified personnel to the Generating Station site to inspect the interconnection and observe the testing. The Interconnection Customer shall provide IPA a written test report when such testing and inspection is completed.

(a) IPA shall provide the Interconnection Customer written acknowledgment that it has received the Interconnection Customer's written test report. Such written acknowledgment shall not be deemed to be or construed as any representation, assurance, guarantee, or warranty by IPA of the safety, durability, suitability, or reliability of the Generating Station or any associated control, protective, and safety devices owned or controlled by the Interconnection Customer or the quality of power produced by the Generating Station.

3.1.2 Upon reasonable notice, IPA may send a qualified person to the premises of the Interconnection Customer at or immediately before the time the Generating Station first produces energy to inspect the interconnection, and observe the commissioning of the Generating Station (including any required testing), startup, and operation for a period of up to three (3) Business Days after initial start-up of the unit.

3.1.3 Following execution of the Agreement, at reasonable hours, and upon reasonable notice, or at any time without notice in the event of an Emergency Condition, each Party shall have access to the other Party's premises for any reasonable purpose in connection with the performance of the obligations imposed on it by this Agreement, including, but not limited to, obligations relating to the design, construction, installation, operation, maintenance, replacement, and ownership of the Adelanto Converter Station, Adelanto Upgrades, Generating Station, or Customer Interconnection Facilities, or if necessary to meet a Party's legal obligation to provide service to its customers.

3.1.4 At any time during which a Party gains access to the other Party's premises under this Article 3, such former Party shall not unreasonably disrupt or interfere with

normal operation of the latter 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 latter Party.

3.1.5 Each Party shall be responsible for its own costs associated with following this Article 3.

3.2 Authorization Required Prior to Parallel Operation.

3.2.1 The Interconnection Customer shall not operate its Generating Station in parallel with the Adelanto Converter Station without prior written authorization of IPA. IPA will provide such authorization once it receives notification that the Interconnection Customer has complied with all applicable Operating Requirements, and construction of Adelanto Upgrades and Customer Interconnection Facilities has been completed. Such authorization shall not be unreasonably withheld, conditioned, or delayed.

3.2.2 All applicable parallel operation and technical requirements for parallel operation are listed in Attachment 3 ("Operating Requirements"). Additionally, IPA shall notify the Interconnection Customer of any changes to the Operating Requirements as soon as they are known. IPA shall make Reasonable Efforts to cooperate with the Interconnection Customer in meeting requirements necessary for the Interconnection Customer to commence parallel operations on or before the In-Service Date. Except as provided in Section 3.2.1, the Interconnection Customer retains sole discretion regarding whether the Generating Station shall ever commence parallel operation, is not obligated to commence parallel operation on or before the In-Service Date or otherwise, and shall not be liable to IPA, its successors or assigns, for failure to commence parallel operation.

ARTICLE 4

EFFECTIVE DATE, TERM, TERMINATION, AND DISCONNECTION

4.1 **Effective Date.** This Agreement shall become effective forty-five (45) calendar days after execution by both Parties ("**Effective Date**"), unless, in the sole judgment of the Interconnection Customer, any legal impediment of or challenge to this Agreement, whether existing or threatened, materially impairs the design, construction, or operation of the Generating Station or its interconnection to the Adelanto Converter Station.

4.2 **Term of Agreement.** This Agreement shall remain in effect from the Effective Date until terminated in accordance with the provisions of Section 4.3.

4.3 Termination.

4.3.1 The Interconnection Customer may terminate this Agreement at any time by giving IPA twenty (20) Business Days' advance written notice.

4.3.2 Either Party may terminate this Agreement after Default pursuant to Section 7.5.2.

4.3.3 This Agreement may be terminated upon six (6) months' notice from IPA if, after June 15, 2027, IPA, or any successor in interest of the IPA, does not own and operate the STS.

4.3.4 No termination shall become effective until the Parties have complied with all Applicable Laws and Regulations applicable to such termination.

4.3.5 Upon termination of this Agreement, the Generating Station will be disconnected from the IPP Adelanto Converter Station. 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 otherwise is responsible for these costs under this Agreement.

4.3.6 The termination of this Agreement shall not relieve either Party of its liabilities and obligations, owed or continuing at the time of the termination; provided, however, that such liabilities and obligations remain subject to any applicable statute of limitations.

4.3.7 These provisions of this Section 4.3 shall survive termination or expiration of this Agreement; provided, however, that such provisions remain subject to any applicable statute of limitations.

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

4.4.1 Emergency Conditions. IPA shall notify the Interconnection Customer promptly when it becomes aware of an Emergency Condition that may reasonably be expected to affect the Interconnection Customer's operation of the Generating Station. The Interconnection Customer shall notify IPA promptly when it becomes aware of an Emergency Condition that may reasonably be expected to affect any part of the IPP. 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.

4.4.2 Routine Maintenance, Construction, and Repair. Each Party may, in accordance with Good Utility Practice and in coordination with the other Party, remove from service any of its respective facilities, including without limitation the Generating Station, Customer Interconnection Facilities, Adelanto Converter Station, and Adelanto Upgrades, that may impact the other Party's facilities as necessary to perform maintenance or testing or to install or replace equipment. Absent an Emergency Condition, the Party scheduling a removal of such facility(ies) from service will use Reasonable Efforts to schedule such removal on a date and time mutually acceptable to both Parties. Each Party shall update its planned maintenance schedules as necessary; such updated schedules shall be consistent with and comply with this Section 4.4.2. 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. Each Party shall provide written notice of its planned maintenance outages, including any updates or modifications to its planned outage schedule, to the other Party at least five (5) Business Days prior to such outage.

4.4.3 **Forced Outages.** During any forced outage, IPA may suspend interconnection service to effect immediate repairs on the STS. IPA shall use Reasonable Efforts to provide the Interconnection Customer with prior notice. If prior notice cannot, with Reasonable Effort, be given, IPA shall give notice as soon as is practicable and shall, upon request, provide the Interconnection Customer written documentation explaining the circumstances of the disconnection.

4.4.4 **Adverse Operating Effects.** IPA shall notify the Interconnection Customer as soon as practicable if, based on Good Utility Practice, operation of the Generating Station may cause disruption or deterioration of service to other customers served from the same electric system, or if operating the Generating Station could cause damage to any of the STS. If, after notice, the Interconnection Customer fails to remedy the adverse operating effect within a reasonable time, IPA may disconnect the Generating Station. IPA shall provide the Interconnection Customer with five (5) Business Days' advance notice prior to such disconnection, unless the provisions of Section 4.4.1 apply.

4.4.5 **Modification of the Customer Interconnection Facilities, Adelanto Converter Station, Adelanto Upgrades, or Generating Station.** Neither Party may make any modification to the Customer Interconnection Facilities, Adelanto Converter Station or Adelanto Upgrades, or Generating Station that could reasonably be expected to have a material impact on the safety or reliability of the other Party's system, equipment, personnel, or other persons, without prior written authorization from the other Party; provided, however, that such authorization shall not be unreasonably withheld, delayed, or conditioned. Any such modification shall be made in accordance with Good Utility Practice. If the Interconnection Customer makes such modification without prior written authorization of IPA, IPA shall have the right to temporarily disconnect the Generating Station until such time as such authorization is obtained, which authorization shall not be unreasonably withheld, delayed, or conditioned.

4.4.6 **Reconnection.** The Parties shall cooperate with each other to restore the Generating Station, Customer Interconnection Facilities, and the Adelanto Converter Station or Adelanto Upgrades to their normal operating state as soon as reasonably practicable following a temporary disconnection.

ARTICLE 5 CONSTRUCTION MATTERS

5.1 The Parties agree to work together to come to resolution on modifications to **Attachment 1** and **Attachment 2** that either Party reasonably believes is necessary to bring the Adelanto Upgrades, or the construction, operation, maintenance, or replacement of the Adelanto Upgrades, into conformity with Good Utility Practice.

5.2 The Customer Interconnection Facilities and Adelanto Upgrades shall be constructed in accordance with Interconnection Drawings.

5.2.1 Prior to construction, each Party shall submit electrical and mechanical design construction drawings for the Customer Interconnection Facilities and Adelanto Upgrades that it will, respectively, own ("**Interconnection Drawings**") to the other Party for a

determination of conformity with Good Utility Practice; such determination of conformity shall not be unreasonably withheld, delayed, or conditioned.

5.2.2 Any material changes to Interconnection Drawings, or material additional electrical and mechanical design construction drawings for planned additions or modifications to Customer Interconnection Facilities or Adelanto Upgrades shall also be submitted to the other Party for a determination of conformity with Good Utility Practice prior to construction; such determination of conformity shall not be unreasonably withheld, delayed, or conditioned.

5.2.3 The Parties agree to work together to come to resolution on modifications that IPA or Interconnection Customer may reasonably believe are necessary to bring Interconnection Drawings, or the operation, maintenance, or replacement of Customer Interconnection Facilities or Adelanto Upgrades, into conformity with Good Utility Practice.

5.2.4 The Interconnection Customer shall be solely responsible for the costs of Interconnection Drawings and any agreed upon modifications to such drawings.

5.3 Notwithstanding any other provision of this Agreement, nothing herein shall be construed as relinquishing or foreclosing any rights, including but not limited to firm transmission rights, capacity rights, transmission congestion rights, or transmission credits, that the Interconnection Customer shall be entitled to, now or in the future, under any other agreement or tariff as a result of, or otherwise associated with, the transmission capacity, if any, created by the Adelanto Upgrades.

5.4 The Parties shall comply with the requirements of 29 CFR 5.5(a)(1) through (10) (incorporated by reference herein) to the extent applicable to a Party.

ARTICLE 6 BILLING AND PAYMENT

6.1 Each Party shall bill the other Party for any amounts due in accordance with this Agreement. The Party receiving such bill shall pay it within thirty (30) calendar days of receipt; provided, however, that pursuant to Section 6.2, the Interconnection Customer may withhold any amount subject to a good faith dispute until such dispute is resolved.

6.2 In the event of a billing dispute between IPA and the Interconnection Customer, IPA shall continue to provide interconnection service under this Agreement as long as the Interconnection Customer: (i) continues to make all payments not in dispute; and (ii) pays to IPA or into an independent escrow account under terms and conditions acceptable to IPA, in its reasonable discretion, the portion of the invoice in dispute, pending resolution of such dispute. Within thirty (30) calendar days after the resolution of the dispute, the Party that owes money to the other Party shall pay the amount due with Interest.

ARTICLE 7 ASSIGNMENT, LIABILITY, INDEMNITY, FORCE MAJEURE, CONSEQUENTIAL DAMAGES, AND DEFAULT

7.1 Assignment or Transfer.

7.1.1 This Agreement may be assigned by either Party only with the written consent of the other Party; provided, however, that in the case of IPA, such consent must come from IPA directly and not from LADWP in its capacity as operating agent for the IPP pursuant to the IPP Operating Agent Agreement. Notwithstanding the preceding sentence, (i) the Interconnection Customer shall have the right to assign this Agreement, without the consent of IPA, for collateral security purposes to aid in providing financing for the Generating Station, provided that the Interconnection Customer will notify, and require any secured party, trustee or mortgagee to notify, IPA of any such assignment; and (ii) IPA shall not assign its interest in this Agreement unless its assignee enters into an assignment and assumption agreement substantially in the form attached as **Attachment 4**. In addition, IPA agrees that it will not transfer or allow the involuntary transfer of the Adelanto Converter Station to any person unless such person agrees to enter into an assignment and assumption agreement substantially in the form attached as **Attachment 4**. Any attempted assignment that violates this Article is void and ineffective. Neither Party's obligations hereunder shall be enlarged, in whole or in part, by reason of any assignment. 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 attorneys' 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. Except as may arise for a claim or action by a third party against a Party, or as otherwise authorized by this Agreement, in no event shall either Party be liable to the other Party for any indirect, special, 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 on contract, tort, including without limitation theories of negligence and strict liability, or on any other theory of liability.

7.3 **Indemnity.** Except in cases of gross negligence or intentional wrongdoing by the indemnified Party, the Parties shall indemnify, hold harmless, and at the option of the indemnified Party, defend, the indemnified Party, its governing body, officers, employees, agents, advisors, assigns and successors in interest from and against 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, reasonable attorneys' fees, and all other obligations by or to third parties, arising out of or resulting from: (a) in the case of the Interconnection Customer, the Interconnection Customer's design, construction, and operation and maintenance of the Generating Station, and (b) in the case of IPA, IPA's obligations under this Agreement.

7.4 **Force Majeure.** Neither IPA nor the Interconnection Customer shall be subject to any liability or damages for inability to provide or receive service to the extent that such failure shall be due to Force Majeure. In such an event, the Interconnection Customer will have no liability for interconnection service until such time as the Interconnection Customer is able to resume receiving interconnection service.

7.4.1 The Party claiming Force Majeure under this Section 7.4 shall make every reasonable attempt to remedy the cause thereof as diligently and expeditiously as possible.

7.4.2 If an event of Force Majeure prevents a Party from fulfilling any obligations under this Agreement, the Party affected by the event of Force Majeure ("Affected Party") shall promptly notify the other Party in writing of the existence of the event of Force Majeure. The notification must specify in reasonable detail the circumstances of the event of Force Majeure, 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 event of Force Majeure 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 event of Force Majeure cannot be mitigated by the use of Reasonable Efforts. The Affected Party will use Reasonable Efforts to resume its performance as soon as possible.

7.5 Default.

7.5.1 No Default shall exist where such failure to discharge an obligation (other than the payment of money) is the result of Force Majeure. Upon a Default, the non-defaulting Party shall give written notice of such Default to the defaulting Party. Except as provided in Section 7.5.2, the defaulting Party shall have sixty (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 sixty (60) calendar days, the defaulting Party shall commence such cure within twenty (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.

7.5.2 If a Default is not cured as provided in this Section 7.5, 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 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 7.5.2 will survive termination of this Agreement.

ARTICLE 8 INSURANCE

8.1 The Interconnection Customer shall, at its own expense, maintain in force general liability insurance without any exclusion for liabilities related to the interconnection undertaken pursuant to the Agreement. The amount of such insurance shall be sufficient to insure against all reasonably foreseeable direct liabilities given the size and nature of the generating equipment being interconnected, the interconnection itself, and the characteristics of the system to which the interconnection is made. The Interconnection Customer shall obtain additional insurance only if necessary as a function of owning and operating a generating facility. Such insurance shall be obtained from an insurance provider authorized to do business in the State of California or from a non-admitted carrier, but produced through a licensed surplus lines broker. Certification that such insurance is in effect shall be provided upon request of IPA, except that Interconnection Customer shall show proof of insurance to IPA no later than ten (10) Business Days prior to the

anticipated commercial operation date. Interconnection Customer may propose to self-insure for such liabilities, and such a proposal shall not be unreasonably rejected.

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

ARTICLE 9 DISPUTES

9.1 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 thirty (30) calendar days of the receipt of the Notice of Dispute by the Party to which it is directed, 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.

ARTICLE 10 MISCELLANEOUS

10.1 **Governing Law.** This Agreement shall be governed by, interpreted and enforced in accordance with the laws of the State of California and the City of Los Angeles, without regard to conflict of law principles.

10.2 **Exclusive Venue.** All litigation arising out of, or relating to this Agreement, shall be brought in a State or Federal court in the County of Los Angeles in the State of California. The Parties irrevocably agree to submit to the exclusive jurisdiction of such courts in the State of California and waive any defense of forum non conveniens.

10.3 **Partial invalidity.** It is not the intention of the Parties to violate any laws governing the subject matter of this Agreement. If any of the terms of the Agreement are finally held or determined to be invalid, illegal or void as being contrary to any applicable law or public policy, all other terms of the Agreement shall remain in effect.

10.4 **Entire Agreement.** This Agreement supersedes all prior agreements, proposals, representations, negotiations, discussions or letters, whether oral or in writing, regarding the subject matter of this Agreement.

10.5 **Waiver.** Any waiver at any time by either Party of its rights with respect to a default under this Agreement or with respect to any other matters arising in connection with this Agreement must be in writing, and such waiver shall not be deemed a waiver with respect to any subsequent default or other matter.

10.6 **Counterparts.** This Agreement may be executed in counterparts, each of which is an original and all of which taken together constitute one and the same instrument.

10.7 **NERC Standards.** Neither Party intends for this Agreement to shift responsibility for compliance with any reporting requirements or applicable operating standards and requirements established by NERC ("NERC Requirements") to the other Party. Both Parties agree to cooperate reasonably with the other Party as needed so that each Party may comply with all applicable NERC requirements.

10.8 **Amendment.** The Parties may amend this Agreement by a written instrument duly executed by both Parties.

10.9 **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.

10.10 **No Attorneys' Fees.** Both Parties hereto agree that in any action to enforce the terms of this Agreement, each Party shall be responsible for its own attorneys' fees and costs.

10.11 **Represented by Counsel.** Each of the Parties was represented by its respective legal counsel during the negotiation and execution of this Agreement.

10.12 **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 Station, Adelanto Converter Station, Adelanto Upgrades, or the Customer Interconnection Facilities, each of which may reasonably be expected to affect the other Party. The notifying Party shall (1) ensure all applicable governmental agency notifications are made within specified regulatory time frames, (2) provide the notice as soon as practicable, provided such Party makes a commercially reasonable effort to provide the notice no later than 24 hours after such Party becomes aware of the occurrence, and (3) promptly furnish to the other Party copies of any publicly available reports filed with any governmental authorities addressing such events.

10.13 **Power Revenue Fund.** No amounts payable by LADWP under this Agreement shall constitute or evidence an indebtedness of the City of Los Angeles ("City") or a lien or charge on any property or the general revenues of the City, but shall constitute and evidence an obligation of LADWP payable only from LADWP's Power Revenue Fund. No other fund or account held by or on behalf of LADWP (or any other division thereof) may be used to satisfy any such obligations. "Power Revenue Fund" means the fund in the City of Los Angeles' treasury known as the "Power Revenue Fund" to which all revenue from every source collected by LADWP in connection with its possession, management and control of the power assets is required to be deposited and credited.

10.14 **Limitation on Survival.** Nothing contained in this Agreement shall be construed to be a waiver of any applicable statute of limitations.

ARTICLE 11

NOTICES

11.1 All notices except as otherwise provided in this Agreement shall be in writing, shall be directed as follows and shall be considered delivered if delivered in person or when deposited in the U.S. Mail, postage prepaid by certified or registered mail and return receipt requested.

INTERMOUNTAIN POWER AGENCY:

Nick C. Kezman
IPP Operating Agent Manager
Los Angeles Department of Water and Power
P.O. Box 51111, Room 1255
Los Angeles, CA 90051-5700
Telephone: (213) 367-1654

James A. Hewlett
Intermountain Power Agency
10653 River Front Parkway, Suite 120
South Jordan, Utah 84095
Telephone: (801) 938-1333

LOS ANGELES DEPARTMENT OF WATER AND POWER:

Mohammed Beshir
Los Angeles Department of Water and Power
111 N. Hope Street, Room 1242
Los Angeles, CA 90012
Telephone: (213) 367-0327

11.2 The Parties may change the person to whom such notices are addressed, or their addresses, by providing written notices thereof in accordance with this Article 11.

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ARTICLE 12

EXECUTION

IN WITNESS WHEREOF, IPA and the Interconnection Customer have executed this Agreement as of the Effective Date:

Date: _____

CITY OF LOS ANGELES
ACTING BY AND THROUGH THE
DEPARTMENT OF WATER AND
POWER

By BOARD OF WATER AND POWER
COMMISSIONERS OF THE CITY OF
LOS ANGELES

APPROVED AS TO FORM AND LEGALITY
CARMEN A. TRUTANICH, CITY ATTORNEY

JUL 29 2010
BY Priscila E. Castillo
PRISCILA E. CASTILLO
DEPUTY CITY ATTORNEY

By: _____
GENERAL MANAGER

And: _____
SECRETARY

INTERMOUNTAIN POWER AGENCY

Date: _____

By: _____
GENERAL MANAGER

**Description and Costs of the Generating Station,
Customer Interconnection Facilities, Adelanto Upgrades, and Metering
Equipment**

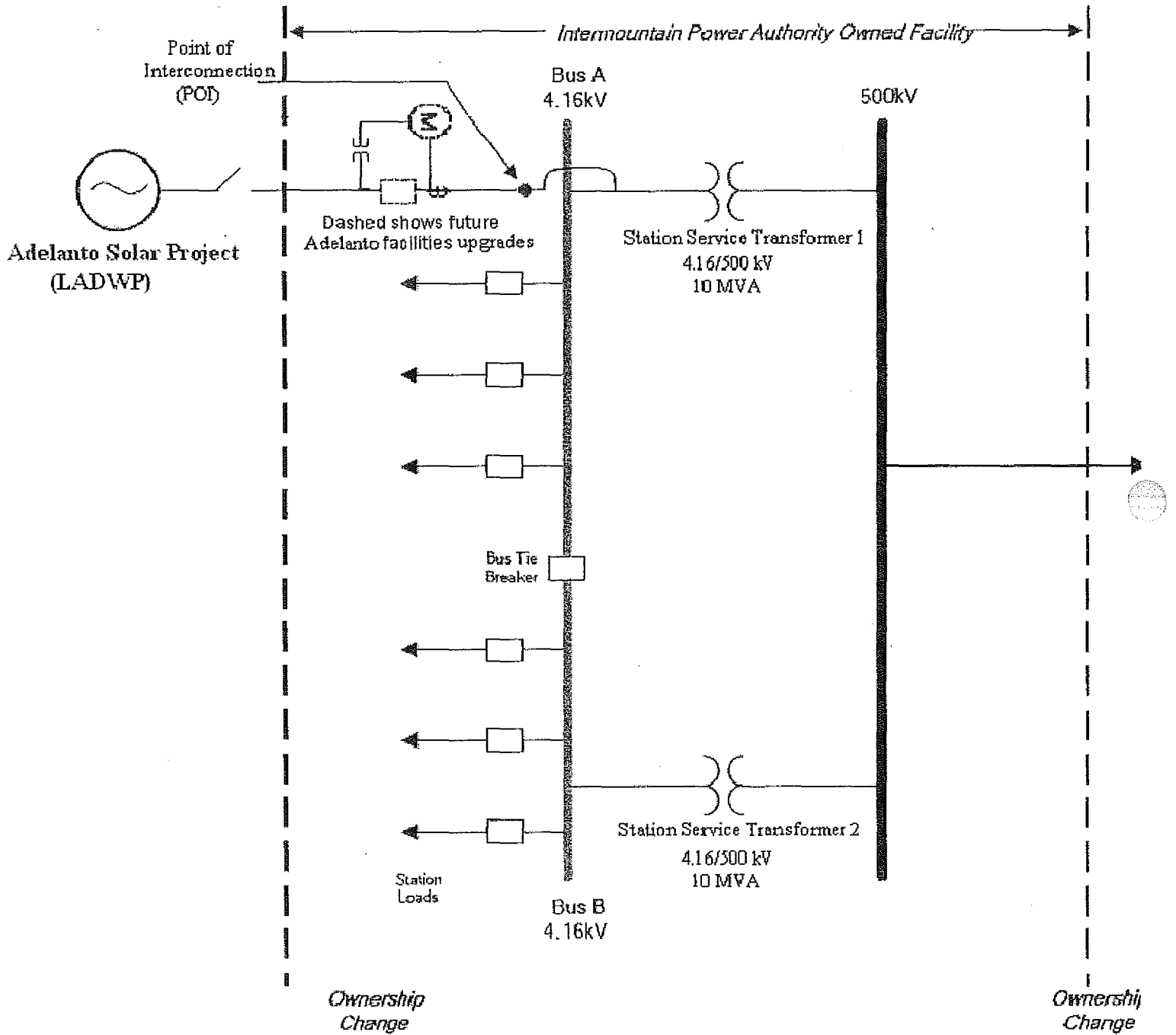
Equipment, including the Generating Station, Customer Interconnection Facilities, Adelanto Upgrades, and metering equipment, shall be itemized here and identified as being owned by the Interconnection Customer or IPA.

Generating Station					
Description		Quantity	Unit Cost	Total Cost	Owner
PV Modules		49140	\$607	\$29,827,980	LADWP
Combiners		180	\$1,439	\$259,020	LADWP
Combiners Wiring (300 MCM)		80,000	\$27	\$2,160,000	LADWP
AC Wiring		2,500	\$154	\$385,000	LADWP
Racking Structure		1,755	\$3,063	\$5,375,565	LADWP
Combined Inverter and Transformer Unit		10	\$482,147	\$4,821,470	LADWP
SCADA		1	\$154,109	\$154,109	LADWP
String Wiring		400,000	\$2	\$800,000	LADWP
	Total			\$43,783,134	
	Cost				

Adelanto Upgrades			
Description	Quantity	Cost	Owner
Interconnection Feeder, Rated 2000A	1		IPA
Circuit Breaker, 5kV, 2000A, 250MVA	1		IPA
Solid 2000A Bus Tapped to Existing 4.16 kV Bus	1		IPA
Current Transformer (B0.3-0.5)	3		IPA
Potential Transformer	3		IPA
	Subtotal Cost	\$532,000	
4-Wire Serial Circuit for Telenics Modem	1		IPA
Communication Cabinet with LAN and RTU Switches	1		IPA
Telecom equipment	1		IPA
	Subtotal Cost	\$10,000	
Metering			
Revenue Meter, ION8600	1		IPA
Data Concentrator, SEL-3530 RTAC (Alternate)	1		IPA
Modem, Telenetics (Alternate)	1		IPA
	Subtotal Cost	\$10,000	
	Total Cost	\$552,000	

Customer Interconnection Facilities			
Description	Quantity	Cost	Owner
Medium Voltage Switchgear	1		LADWP
Medium Voltage Fused Switch, Rated 600A	4		LADWP
Interconnection Feeder, Rated 2000A	1		LADWP
Switchgear Common Bus, Rated 5kV, 2000A, 40kAIC	1		LADWP
Subtotal Cost		\$308,218	
Fiber Optic Cables	1		LADWP
UPS Ethernet Router	1		LADWP
Subtotal Cost		\$10,000	
Total Cost		\$318,218	

One-line Diagram Depicting the Generating Station, Interconnection Facilities, Metering Equipment, and Upgrades



**Additional Operating Requirements for the IPP Adelanto Converter Station
Needed to Support
the Interconnection Customer's Needs**

SCOPE

This Attachment 3 specifies the minimum engineering, operating, and protective requirements (collectively, “**Operating Requirements**”) for safe and reliable operation of both the Adelanto Converter Station and the Interconnection Customer's Generating Station of 10-MW or less at a voltage level of 4160 V. These standards provide a uniform policy to be used by the Parties.

DEFINITIONS

Flicker means a variation of input voltage sufficient in duration to allow visual observation of a change in electric light source intensity.

Harmonic Distortion means a continuous distortion of the normal sine wave; typically caused by nonlinear loads or by inverters.

Parallel (Operation) with the Adelanto Converter Station means any electrical connection between the Adelanto Converter Station and the Interconnection Customer's Generating Station.

Power Quality means the measurement and characteristics of voltage and current with respect to instantaneous and steady state values or fluctuations thereof.

Reliability means the availability of electrical service that has acceptable power quality.

Stabilized means the Adelanto Converter Station following a disturbance returning to the normal range of voltage and frequency for 2 minutes and a shorter time as coordinated with IPA.

OPERATING REQUIREMENTS

Operating Requirements include the following items:

1. Personnel Safety;
2. Protection and Operation;
3. Power Quality;

4. Inspection;
5. Site Testing and Commissioning; and
6. Metering.

- If an installation fails to meet any Operating Requirements herein specified, IPA may disconnect the installation.
- The Operating Requirements herein specified may be altered only with the written consent of both Parties, not to be unreasonably withheld, delayed, or conditioned. Any subsequent technical study finding that the safe and acceptable operation of the Adelanto Converter Station may be compromised absent the alteration of such Operating Requirements must be adopted by both Parties, in writing, before providing the basis for alteration of such Operating Requirements.
- The Interconnection Customer shall not operate Generating Station equipment in Parallel with the Adelanto Converter Station without the prior written consent of IPA, not to be unreasonably withheld, delayed, or conditioned, and without being in full compliance with the Operating Requirements specified in this Attachment.
- It shall be the Interconnection Customer's responsibility to inform IPA of any change in the Generating Station capability.

I. Personnel Safety

A. General

The most important concern during Parallel Operation is safety. It must be recognized that the Adelanto Converter Station and the Interconnection Customer's Generating Station will interact through the Interconnection Customer's Generating Station.

1. Adequate protection and safe operational procedures must be achieved by the joint interconnection facilities (Adelanto Upgrades and Customer's Interconnection Facilities). In accordance with the responsibilities of the Parties pursuant to Section 2.4, and without altering such Section 2.4, the Interconnection Customer shall be solely responsible for the safe operation of the Generating Station and the Customer Interconnection Facilities, and the IPA shall be solely responsible for the safe operation of the Adelanto Upgrades, each to be operated in Parallel with the Adelanto Converter Station.
2. The Interconnection Customer shall permit IPA personnel to enter upon its property at any reasonable time for the purpose of inspecting and/or testing the Interconnection Customer's Generating Station equipment, or apparatus. Such inspection shall not relieve the Interconnection Customer from the obligation to maintain the equipment in safe and satisfactory operating condition.

II. Protection and Operation

A. Operation Requirements

The Interconnection Customer must operate 60 Hertz, three phase Generating Station equipment at the Point of Interconnection prevailing voltage level, in Parallel with the Adelanto Converter Station provided the Generating Station equipment and Interconnection Customer meets or exceeds the Operating Requirements set forth in this Attachment.

The Interconnection Customer's Generating Station shall be equipped with protective hardware and software designed to prevent the Generating Station from being connected to a de-energized circuit or equipment owned by the IPA.

The Interconnection Customer's Generating Station shall provide the necessary protective hardware and software designed to prevent Parallel Operation of the Generating Station equipment with Adelanto Converter Station unless the voltage and frequency at the Point of Interconnection is of normal magnitude and phase sequence.

B. Prevention of Interference

The Interconnection Customer's Generating Station shall not cause objectionable interference with the electric service provided at the Point of Interconnection by the IPA's existing 500/4.16 kV station service transformers. Consequently, the Interconnection Customer's Generating Station shall meet the following criteria:

1. Voltage

The Interconnection Customer will operate its Generating Station in such manner that the voltage levels at the Point of Interconnection are in the same range as if the Generating Station was not connected to the Adelanto Converter Station. The Interconnection Customer shall provide an automatic method of disconnecting the Generating Station from the Adelanto Converter Station should a sustained voltage deviation of +5 % or -10% from nominal occur for more than 30 seconds. Should a deviation of +10% or -30% occur, the Interconnection Customer shall disconnect the Generating Station within 10 cycles. The Interconnection Customer may reconnect when the voltage and frequency at the Point of Interconnection and/or the Adelanto Converter Station return to normal range and is stabilized.

2. Flicker

The Interconnection Customer shall not cause excessive voltage flicker on the Adelanto Converter Station. This flicker shall not exceed 3% voltage dip per IEEE 519 as measured at the Point of Interconnection.

3. Frequency

The operating frequency of the Interconnection Customer's Generating Station shall not deviate more than +0.5 Hertz (Hz) or -0.7 Hz on a 60 Hz base. The Interconnection Customer shall disconnect the Generating Station from the Adelanto Converter Station within 15 cycles if this frequency tolerance cannot be maintained. The Interconnection Customer may reconnect when the voltage and frequency at the Point of Interconnection and/or the Adelanto Converter Station return to normal range and is stabilized.

4. Harmonics

Pursuant to IEEE 519, the total harmonic distortion (THD) voltage shall not exceed 5% of the fundamental 60 Hz frequency nor 3% of the fundamental for any individual harmonic when measured at the Point of Interconnection with IPA instrument.

5. Fault and Line Clearing

The Interconnection Customer shall disconnect from the Adelanto Converter Station within 10 cycles should the voltage on one or more phases fall below -30% of nominal voltage at the Point of Interconnection. This disconnect timing also ensures that the Generating Station is disconnected from the Adelanto Converter Station prior to automatic re-close of breaker(s). The Interconnection Customer may reconnect when the voltage and frequency at the Point of Interconnection and/or the Adelanto Converter Station return to normal range and is stabilized. To enhance Reliability and safety and with the IPA's approval, not to be unreasonably withheld, delayed, or conditioned, the Interconnection Customer may employ a modified relay scheme with delayed tripping or blocking using communications equipment between Interconnection Customer and the IPA.

IPA reserves the right to perform such tests as it deems necessary to ensure safe and efficient protection and operation of the Interconnection Customer's Generating Station.

C. Design Considerations

The Interconnection Customer is responsible for protecting the Interconnection Customer's Generating Station in such a manner so that the Adelanto Converter Station outages, short circuits or other disturbances including excessive zero sequence currents at the Point of Interconnection and/or the Adelanto Converter Station do not damage the Customer's Generating Station. The Interconnection Customer's protective equipment shall also prevent excessive or unnecessary tripping that would affect the Adelanto Converter Station Reliability.

IPA may require that a communication channel(s) be installed as part of the protection, remote control, remote metering and/or direct voice contact between IPA

and Interconnection Customer's Generating Station. These channel(s) may be leased telephone circuit, power line carrier, pilot wire circuit, microwave, etc.

Circuit breaker(s) or other interrupting devices at the Point of Interconnection must be capable of interrupting maximum available fault current.

The Interconnection Customer will furnish and install a manual disconnect device that has a visual break (a disconnect switch, a draw-out breaker, fuse block, etc. as appropriate to the prevailing voltage level at the Point of Interconnection), accessible to the IPA personnel, and capable of being locked in the open position. The Interconnection Customer shall follow the IPA's switching, clearance, and tagging procedures which the IPA shall instruct the Interconnection Customer.

Protective relays, electric conversion devices, or other devices can comply with this Attachment by demonstrating that they can accomplish the required protective function specified below:

1. Interconnect Disconnect;
2. Generator Disconnect;
3. Over-Voltage Trip;
4. Under-Voltage Trip;
5. Over/Under Frequency Trip;
6. Ground Over-Voltage Trip or Ground Over-Current Trip;
7. Automatic Synchronizing Check;
8. Telemetry/transfer Trip*; and
9. Automatic Voltage Regulation (AVR).

*May be required as part of a transfer tripping/blocking protective scheme.

Self-commutated inverters whether of the interactive type or standalone type shall be used in Parallel with the Adelanto Converter Station only with synchronizing equipment. Direct current generation shall not be directly Paralleled with the Adelanto Converter Station.

III. Power Quality

A. General

IPA reserves the right to allow the interconnection of the Generating Station to the Adelanto Converter Station if it can be achieved without reducing the Power Quality and Reliability of the Adelanto Converter Station and to disconnect the Interconnection Customer's Generating Station should unforeseen difficulties arise which impair the Power Quality or Reliability.

B. Additional Technical Requirements

The Interconnection Customer's Generating Station must be of sound engineering design and quality workmanship, shall have safe and reliable operating characteristics, shall meet all applicable codes set forth below, and shall be approved by all Governmental Authorities having jurisdiction.

1. Operate at a power factor of $> .95$ (lagging or leading).
2. Operate in the frequency range of 59.3-60.5 Hz.
3. Have a total harmonic current distortion less than 5% of the fundamental at rated inverter output.
4. All inverter(s) shall be listed and in compliance with Underwriters Laboratories (UL) 1741, Inverters, Converters, and Controllers for Use in Independent Power Systems.
5. Photovoltaic modules and panels shall be in compliance with:
 - a. Underwriters Laboratories (UL) 1703, Standard for Safety: Flat-Plate Photovoltaic Modules and Panels.
 - b. IEEE Standard 1262-1995, IEEE Recommended Practice for Qualification of Photovoltaic (PV) Modules.
6. PV system installation shall be completed by a qualified state licensed contractor. In addition, the system shall be in compliance with:
 - a. IEEE Standard 929-2000, Recommended Practice for Utility Interface of Photovoltaic Systems.
 - b. National Electrical Code (NEC) Article 690, Solar Photovoltaic Systems.
 - c. All other relevant articles of the latest edition of the National Electrical Code.
 - d. All local building and electrical codes.

IPA reserves the right to perform such tests as it deems necessary to ensure the operational quality of the Interconnection Customer's Generating Station.

IV. Inspection

The Interconnection Customer shall notify IPA in writing at least 2 weeks before the initial energizing and start-up testing of the Interconnection Customer's Generating Station and IPA personnel may witness the testing of any equipment and protective systems associated with the interconnection.

The Interconnection Customer shall revise and re-submit the one line-diagram indicating all equipment between the Generating Station and the Point of Interconnection, a layout of sketch showing lockable disconnect device, and any proposed modification which may affect the safe and reliable operation of the Adelanto Converter Station.

V. Site Testing and Commissioning

Testing of protection systems shall include procedures to functionally test all protective elements of the system up to and including tripping of the Generating Station and the Point of Interconnection. Testing will verify all protective set points and relay/breaker trip timing.

IPA reserves the right to witness the testing of installed switchgear, protection systems, and Generating Station equipment.

The Interconnection Customer has full responsibility for routine maintenance of the Interconnection Customer's Generating Station, control and protective equipment and the keeping of records for such maintenance. IPA may review all such records at all reasonable times.

In addition, a log of Generating Station operations shall be kept. At a minimum, the log shall include the date, Generating Station time on, and Generating Station time off, and megawatt. It is recommended that Interconnection Customers keeps generation logs in order to assist with trouble-shooting various operational problems that may arise. IPA may review all such records at all reasonable times.

VI. Metering

IPA will own and the Interconnection Customer will supply, and maintain all necessary meter(s) and associated equipment to record energy exported by the Interconnection Customer to the Adelanto Converter Station. The Interconnection Customer shall supply, and at no cost to IPA, a suitable location on its premises for the installation of IPA meter(s) and other equipment if required.

ASSIGNMENT AND ASSUMPTION AGREEMENT

This Assignment and Assumption Agreement (this "Agreement") is entered into and effective as of _____, 20__ , by and between the Intermountain Power Agency, a political subdivision of the State of Utah ("Assignor"), and _____, a _____ ("Assignee"). Each of the Assignor and Assignee are sometimes individually referred to as a "Party," and collectively as the "Parties."

RECITALS

WHEREAS, Assignor desires to assign to Assignee, and Assignee desires to assume from Assignor, the Interconnection Agreement (as defined herein); and

WHEREAS, in order to effectuate the assignment and assumption of the Interconnection Agreement, the Parties are executing and delivering this Agreement.

AGREEMENT

NOW, THEREFORE, in consideration of the mutual covenants and agreements contained herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties hereby act and agree as follows:

1. Assignment of Interconnection Agreement. Assignor hereby assigns, transfers, and delivers to Assignee, and Assignee hereby accepts and receives, all of the rights, title, and interests of Assignor in that certain Generator Interconnection Agreement, dated _____, between the Intermountain Power Agency, a political subdivision of the State of Utah ("IPA"), and the City of Los Angeles acting by and through the Department of Water and Power, a department organized and existing under the Charter of the City of Los Angeles, a municipal corporation of the State of California.
2. Assignment and Assumption of Obligations and Liabilities. Assignor hereby assigns, and Assignee hereby assumes, all of the obligations and liabilities of Assignor under the Interconnection Agreement.
3. Successors and Assigns. This Agreement shall bind Assignor and its successors and permitted assigns and inure to the benefit of Assignee and its successors and permitted assigns.
4. Counterparts. This Agreement may be executed in any number of counterparts, and each counterpart shall be deemed to be an original instrument, but all such counterparts shall constitute but one instrument.
5. Additional Actions. From time to time, as and when requested by Assignee, Assignor shall execute and deliver, or cause to be executed and delivered, such documents and

instruments and shall take, or cause to be taken, such further or other actions as may be reasonably necessary to carry out the purposes of this Agreement.

6. Governing Law. This Agreement shall be governed by, interpreted and enforced in accordance with the laws of the State of California and the City of Los Angeles, without regard to conflict of law principles.

7. Exclusive Venue. All litigation arising out of, or relating to this Agreement, shall be brought in a State or Federal court in the County of Los Angeles in the State of California. The Parties irrevocably agree to submit to the exclusive jurisdiction of such courts in the State of California and waive any defense of forum non conveniens.

8. Entire Agreement. This Agreement supersedes all prior agreements, proposals, representations, negotiations, discussions or letters, whether oral or in writing, regarding the subject matter of this Agreement.

9. Descriptive Headings. The descriptive headings of the several Sections, subsections and clauses of this Agreement were inserted for convenience only and shall not be deemed to affect the meaning or construction of any of the provisions hereof.

SIGNATURE PAGE FOLLOWS

IN WITNESS WHEREOF, the undersigned have executed this Agreement effective as of the date first written above.

ASSIGNOR

INTERMOUNTAIN POWER AGENCY

By: _____
Name: _____
Title: _____

ASSIGNEE

By: _____
Name: _____
Title: _____